CITY OF
BEDFORD
Discover the Center

Comprehensive Annual Financial Report

For the Fiscal Year Ending September 30, 2018

City of Bedford, Texas

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City of Bedford

Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2018

Prepared By
City of Bedford Finance Department

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City of Bedford, Texas

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Introductory Section

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CITY of BEDFORD

2000 FOREST RIDGE DRIVE, BEDFORD, TEXAS 76021-1895

February 20, 2019

Citizens of Bedford, Honorable Mayor,
Members of the City Council and City Manager:

The Department of Financial Services is pleased to submit the Comprehensive Annual Financial Report for the City of Bedford, Texas (City), for the fiscal year ended September 30, 2018. This report was prepared through the cooperative effort of the Department of Financial Services and the City's independent auditor. It is published to provide the City Council, staff, citizens, bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation rests with the City. We believe the data, as presented, is accurate in all material aspects. It is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and all disclosures necessary have been included to enable the reader to gain the maximum understanding of the City's financial affairs.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, organizational chart and a list of principal officials. The financial section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements and combining and individual fund statements and schedules. The statistical section includes a variety of financial and demographic information presented on a multiyear basis that is relevant to a financial statement reader. The financial section is prepared in accordance with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB).

CITY PROFILE

The City of Bedford is a predominately residential community located in Tarrant County, near several major transportation links between Dallas and Fort Worth. It is part of the "Metroplex" of North Central Texas, which includes the cities of Dallas and Fort Worth. The City of Bedford is bordered on the east and south by the City of Euless, on the west by the City of Hurst and on the north by the City of Colleyville. Bedford lies approximately five miles from the Dallas/Fort Worth International Airport, 12 miles from downtown Fort Worth and 20 miles from downtown Dallas There are three State Highways (183, 121, 157) and two Interstate Highways (35, 30) serving the City with the nearest Interstate located six miles away.

The City was incorporated in 1953 under the general laws of the state of Texas and the voters approved the current charter in 1966. The City is a home rule city and operates under the Council/Manager form of government. The City Council is composed of a mayor and six council members elected at large every three years.

THE REPORTING ENTITY AND ITS SERVICES

Generally accepted accounting principles require the general-purpose financial statements present the City (the primary government) and its component units. Component units are organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. Based on the criterion, the following blended component unit is included. The City of Bedford Street Improvement Economic Development Corporation (EDC) is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the EDC is reported as a Special Revenue Fund as if it were part of the primary government because its sole purpose is to operate, maintain and finance the costs of the City's street improvements using sales taxes collected under Section 4B of the Development Corporation Act of 1979.

Services provided by the City under the general governmental functions include police and fire protection, emergency medical services, planning and zoning, code enforcement and inspections, street maintenance, parks, recreation, library and senior citizen services. A Special Revenue Fund is used to account for revenues derived from hotel/motel taxes, with proceeds used to promote tourism. Water and sewer services are provided under an enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. Drainage maintenance services are also provided under the enterprise fund concept, implemented in 1991 in accordance with amendments to Title 13 of the Texas Local Government Code.

The water supply for the City of Bedford is provided by the Trinity River Authority (TRA), which provides treated water to Bedford, Euless, Colleyville, Grapevine and North Richland Hills pursuant to separate, but similar contracts dated January 21, 1972 and April 25, 1979. In October 1973 the Trinity River Authority (Central Regional Wastewater System) entered into a 50-year contract with numerous cities in the Metroplex, including the City of Bedford for construction of a wastewater treatment plant to service all contracting parties.

The original 50-year duration of the contract is automatically extended through the latest maturity of any TRA outstanding debt issues.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The information presented in the financial statements should be considered from the broad perspective of the specific environment within which the City operates.

In recent years, the City of Bedford, located in the heart of the Dallas/Fort Worth Metropolitan area (DFW), has experienced a significant slowdown in population growth. The 2010 census reflects a population of 46,979, which is approximately a 0.4% decrease from the census results of 2000. However, current population estimates are projected to be 49,234 or 4.8% above the census results.

Multiple light manufacturing firms are in Bedford, as well as a variety of commercial establishments, restaurants, health care facilities, retail stores, shops and food stores. Several of the retail shopping centers in the City are undergoing renovation and expansion. Undeveloped property accounts for approximately 2.0% of the total area in the City.

The City is not financially dependent upon any one industry, or type of industry. The City recognizes the value of commercial development to its economic base and continues to encourage commercial growth that will be beneficial to the community. During the course of the year, it witnessed 0.29% growth in sales tax collections by $31,318.

As a policy, the City Council has set certain economic goals that are intended to attract high quality, visually appealing businesses, as well as revitalize and invest in areas that have seen some deterioration of economic activity. By emphasizing the need to be more business friendly, the goals of the City Council seek to provide the general direction for future land use plans and decisions for the City.

Current longer range financial planning primarily revolves around several major water/sewer system infrastructure projects as well as significant improvements to our drainage system. In addition, as the City is approximately 98% built out, significant planning initiatives are being considered to provide for re-development of certain aging corridors within the City.

A few years ago, the City witnessed the widening of State Highway 183 (Airport Freeway), which runs eastbound/westbound through the center of town. During this period, Bedford officials were highly successful in retaining existing businesses while recruiting new ones to the newly expanded highway corridor. In addition, the City is working diligently with property owners to maximize development opportunities because of the expansion. This includes creating incentive agreements between the City and the business community that creates jobs, enhance the tax base and secure revenue resources for the City.

To the extent that operations result in surplus funds, we will continue to fund various capital needs of a one-time nature from the surplus rather than issuing unnecessary debt.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. We believe the City's internal control structure is adequate to safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The budgetary process begins each year with the preparation of revenue estimates by the City's Department of Financial Services staff and expenditure estimates by each City department. Estimates are reviewed by the City Manager, and evaluated within the total financial framework. Budget proposals are recommended by the City Manager and reviewed extensively by the City Council, a process that includes a public hearing. After the conclusion of the public hearing, the City Council may make changes as deemed appropriate. The budget as amended is then adopted by ordinance, which also adopts the tax rate.

In addition, the annual budget also contains a capital improvement program which may be revised and extended each year to indicate capital improvements pending or in process of construction or acquisition. The capital program includes a list of all capital improvements that are planned during the upcoming five fiscal years, cost estimates, time schedules and methods of financing for each improvement.

GENERAL GOVERNMENTAL FUNCTIONS

Property Taxes

All eligible property within the City is subject to assessment, levy, and collection of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. Under state law, the City is limited to a maximum tax rate of $2.50 per $100 assessed valuation.

In addition, the City's home rule charter limits the tax rate to a maximum of $1.50 per $100 assessed valuation. The appraisal of property within the City is the responsibility of the Tarrant Appraisal District (TAD). The City of Bedford and other taxing jurisdictions in Tarrant County provide a pro rata share of the budgeted expenditures incurred by TAD based upon individual levy. The City contracts with the Tarrant County Tax Office for tax billing and collection services.

OTHER INFORMATION

Audit

The City Charter requires an annual audit of the books of accounts, financial records and transactions of all administrative departments of the City by independent certified public accountants selected and engaged by the City Council. The Independent Auditor's Report is included in the financial section of this report.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bedford for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended September 30, 2017. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement a government unit must publish an easily readable and efficiently organized CAFR with contents that conform to program standards. In addition, an award winning CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This is the 21st consecutive year the City of Bedford has received the Certificate of Achievement. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA for their consideration.

ACKNOWLEDGMENTS

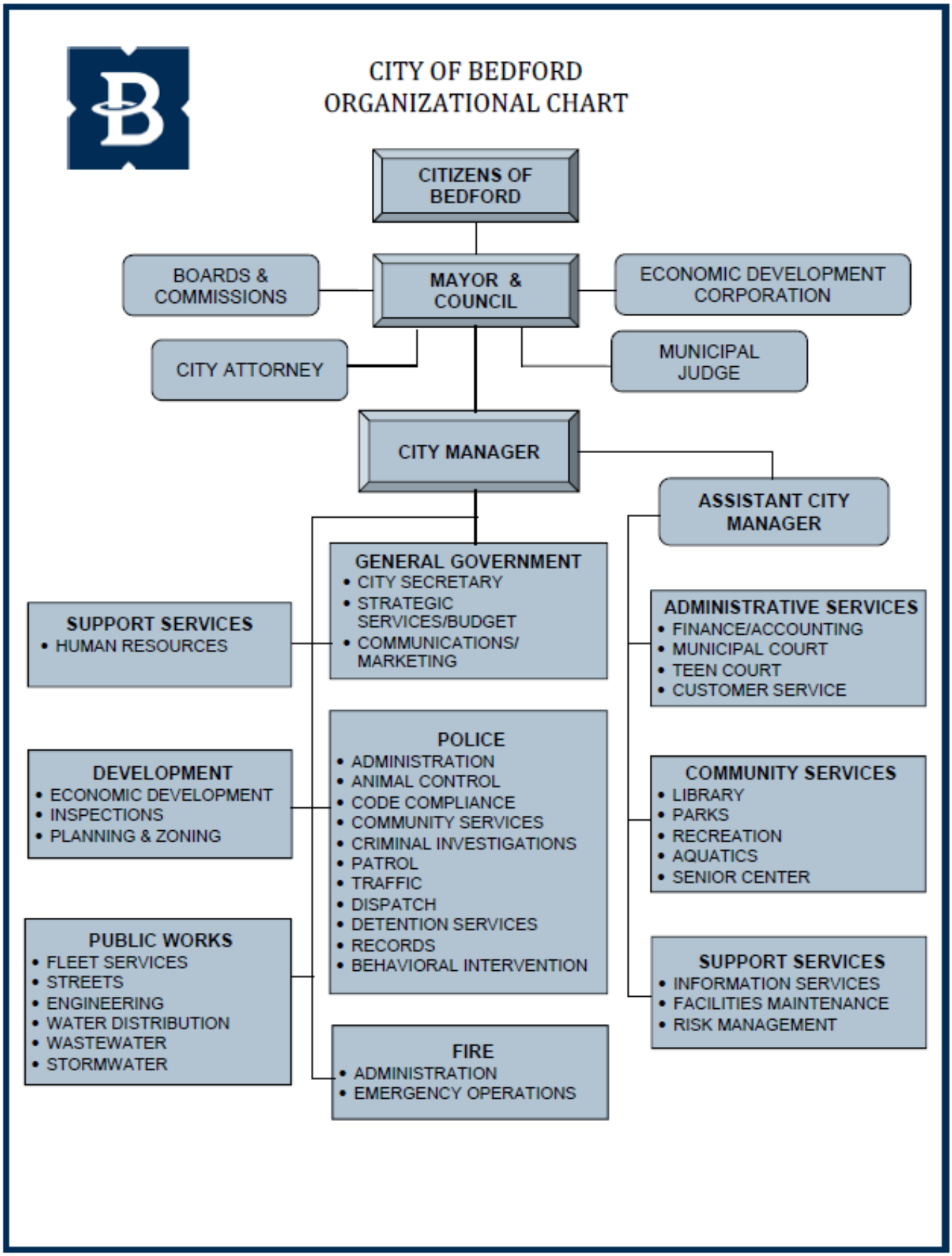
The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Department of Financial Services. Many individuals devoted extra hours and exhibited dedicated effort in ensuring the accuracy and timeliness of this report. Appreciation is expressed to the City employees throughout the organization, especially those responsible for the maintenance of records upon which this report is based. Special acknowledgment is extended to Paula McPartlin and Crystal Segovia, whose arduous work and dedication was instrumental in the preparation of this report. Acknowledgment is also given to representatives of Weaver and Tidwell, LLP for their assistance in producing the final product. This was the second year in which Weaver conducted an audit of the City's financials and a considerable amount of time and effort has been given to ensure accuracy. Our appreciation is extended to the Mayor, the members of the City Council and the City Manager for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Clifford Blackwell, C.G.F.O.

Assistant City Manager

CITY OF BEDFORD
ORGANIZATIONAL CHART



Principal Officials
Fiscal Year 2018-2019

ELECTED

CITY COUNCIL

Roger Fisher Place 6	Michael Boyter Place 4	Dan Cogen Place 2	Rusty Sartor Place 1

Dr. Roy Turner Mayor Pro Tem	Jim Griffin Mayor	Amy Sabol Place 3

SENIOR STAFF

Brian D. Bosshardt, City Manager

Clifford W. Blackwell, III, C.G.F.O.	Assistant City Manager
Maria Joyner, CPA	Director of Finance
Jeff Gibson	Police Chief
Stephanie Ayers	Director of Human Resources
Kenny Overstreet	Director of Public Works/Engineering
Sean Fay	Fire Chief
Bill Syblon	Director of Development
Michael Wells	City Secretary
Natalie Foster	Public Information Officer
Megan Jakubik, C.G.F.O.	Strategic Services Manager

Comprehensive Annual Financial Report
Fiscal Year 2017-2018

City of Bedford, Texas

Prepared by the Department of Financial Services

Clifford W. Blackwell, III, C.G.F.O., Assistant City Manager

Maria Joyner, CPA ..... Director of Finance

Paula Y. McPartlin, C.G.F.O. ..... Assistant Finance Director

Crystal Segovia, C.G.F.O. ..... Senior Accountant

Jo Quarles. ..... Finance Supervisor

April Callahan ..... Account Clerk II

Michele Farbes ..... Accounting Technician

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bedford

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO

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Financial Section

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Independent Auditor's Report

The Mayor and City Council
City of Bedford, Texas
Bedford, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bedford, Texas (the City) as of and for the year ended September 30, 2018, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a matter

As discussed in Note 13, in 2018 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension which supersedes GASB Statement No. 45. Our opinion is not modified with respect to these matters.

Prior Year Comparative Information

The financial statements include certain summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended September 30, 2017, from which the summarized information was derived.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, pension and other postemployment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplemental information including the combining fund statements and budget and actual schedule, and the statistical section listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information including the combining fund statements and budgetary comparison schedule listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

The Mayor and City Council
City of Bedford, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 20, 2019

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Management's Discussion and Analysis

The discussion and analysis of the City of Bedford's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the accompanying letter of transmittal and the City's basic financial statements.

Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $68,685,782 (net position).

The City's net position increased $6,305,128 or 10.11%. This increase is primarily due to increases in tax revenues as well as charges for services. The increase in charges for services stems from water and sewer rate increases as approved by the city council to match the rate increases passed on by the wholesale provider, TRA, as well as maintain current service levels. The operating revenue for water and sewer charges increased from $20,995,798 to $22,528,181 for fiscal years 2017 to 2018, respectively; resulting in an increase of $1,532,383 or 7.30%.

As of September 30, 2018, the City's governmental funds reported combined ending fund balances of $82,844,090. This represents an increase of $61,845,264 in comparison to the prior fiscal year, due to an increase in investments by $53,791,855 for capital construction projects and debt proceeds. In the prior year, the City did not have any significant investments. Throughout the fiscal year, the City also witnessed 10.48% growth in assessed valuations that resulted in a $2,923,595 increase in tax revenues.

Lastly, the City issued a refunding of $63,920,000 in 2018 General Obligation Bonds and issued new debt of $20,000,000 in 2017 Certificates of Obligation Bonds. The total debt obligations increased by 51% from $66,390,811 to $141,792,004. In addition, as a part of annual debt service requirements, principal payments of $11,645,000 were made during the 2017/2018 fiscal year.

Using This Annual Report

This comprehensive annual financial report consists of a series of financial statements that serve as an introduction to the City of Bedford's financial health. The statement of net position provides information about the financial activities of the City, and it presents a long-term view of the finances.

The next section is the fund financial statements which shows how municipal services are financed in the short-term. In addition, it reports the operations in more detail than what the government-wide statements provide about the City's most financially significant funds. Lastly, this report also includes other supplementary information in addition to the basic financial statements.

Reporting the City as a Whole

The statement of net position, also known as a 'balance sheet, presents the City's financials in the following manner. It compares the assets, or what is owned, against its liabilities, or what is owed, and measures the difference as the net position. The statement of activities, which is like an income statement, reports the municipal revenues in the form of contributions, program fees, charges for services, and other amounts released from restrictions. In addition, it categorizes municipal expenses in the form of primary government activities and proprietary or business-type activities. The difference between both areas, results in an increase or decrease in the net position of the statement of activities.

Governmental Activities. Most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation and general administration. Taxes (property, sales, franchise, mixed beverage), licenses/permits, charges for services, and fines/forfeitures finance most of these activities.

Business-type Activities. The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer and storm water system facilities are reported here.

The net position highlights the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Over time, increases or decreases in the City's net position exemplifies how the financial health is improving or deteriorating. By assessing health of the City, it is important to consider other nonfinancial factors including changes in the City's property tax base, the economic impact of municipal cost index and the condition of the City's capital infrastructure (roads, buildings, water, and sewer lines) to assess the value.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds. Some funds are required by state law. However, the City Council establishes many other funds that fulfils specific purposes or meet statutory requirements.

The City's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the City's basic services are reported in governmental funds, which cannot be accounted for in any other specialized fund. These funds use the modified accrual basis of accounting, which recognizes revenues when they become available and measurable. They also recognize expenditures when liabilities are incurred. Fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps financial statement readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (of differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds within two reconciliations which outline individual financial items or factors converting the modified basis of accounting presentation to the full accrual basis of accounting presentation. These can be found following both the balance sheet and statement of revenues, expenditures and changes in fund balances.

Proprietary Funds

Proprietary funds use the full accrual basis of accounting. Meaning, these funds recognize the financial effect of events that impact an entity during the accounting period, regardless of whether cash was received or spent. In addition, under the full accrual basis, proprietary funds identify the full cost of services and usually create a fee structure that recaptures the true cost. A city may maintain two types of proprietary funds to record charges for the full cost of the services it provides whether to outside customers or to other units of the city. These services are reported in either Enterprise Funds or Internal Service Funds.

Enterprise Funds. Are used to report the same function presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its water and sewer and storm water operations.

Internal Service Funds. Are an accounting device used to accumulate costs internally among various functions of the City. The City currently has no operations that qualify as an Internal Service Fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources would not be available to support the City's own programs. The City of Bedford currently has no fiduciary funds.

Major Governmental Funds

As noted, Bedford uses fund accounting to ensure and demonstrate compliance within the generally accepted accounting principles. The focus of governmental funds is to provide information on inflows, outflows and balances of spendable resources. Information such as unassigned fund balance serves as a useful measure of the City's ability to finance unforeseen upcoming obligations. As a measure of the General Fund's liquidity, year ending unassigned fund balance of $13,587,512 represents 39.28% (approximately 128 days) of next year's budgeted expenditures.

The Debt Service Fund has a total fund balance of $1,049,549, all of which is reserved for the payment of debt. It increased by $75,992 or 7.81% during the current year, due to tax assessment income levels exceeding total expenditures from the fund. The fund has been used to not only pay annual debt service requirements but it also covers contractual service costs for arbitrage calculations as well as a pro-rata share of investment advisory services. These expenditures contribute to the total payment from the Debt Service Fund.

The Economic Development 4B Fund has a total fund balance of $3,680,941, most of which is reserved for street infrastructure improvements and maintenance. The current year fund balance decreased by $109,323 or 2.88% due to a reduction in roadway repair services that were rescheduled for the following fiscal year.

The Capital Projects Fund has a total fund balance of $61,113,475, most of which is for construction projects. The current year fund balance increased by $60,285,204 or 7278% due to new issuance and refunding of debt.

The City as a Whole

The City's combined net position changed from a year ago, increasing from $62,380,654 to $68,685,782. The net position and net expenses of governmental and business-type activities have significant changes occurring this year. The analysis below focuses on the net position and changes in net position of the City's governmental and business-type activities.

The net position of the City's governmental activities increased by $4,053,307 or 18.40%, from $22,024,442 last fiscal year, to $26,077,749 as of September 30, 2018, primarily due to increases in property tax revenue, along with contributions, that contributed to a net surplus over expenditures. In the business-type activities, the net position increased from $40,356,212 to $42,608,033, or 5.58%, primarily due to the increased water and sewer sales and charges for services. The unrestricted net position of the City's governmental activities (the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) increased from $(3,748,369) to $(1,847,912) as of September 30, 2018, or 51%. The reason for the decrease in the governmental unrestricted net position is due the restriction of funds for street, drainage, and capital improvements funded by bond proceeds. The unrestricted net position of the business-type activities increased from $5,099,493 to $6,262,758 as of September 30, 2018, or 22.81%. The primary reason for the increase is related to ongoing positive operations of the Water and Sewer fund.

The restricted net position of the City, those restricted mainly for capital acquisition, debt service, economic development, public safety and parks and beautification decreased from $9,070,828 to $7,368,500, or 19%, primarily due to street, drainage, and capital improvements funded by bond proceeds.

The largest portion of the City's net position, 82.8%, reflects an investment in capital assets, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Resources needed to repay debt associated with acquisition of these assets must be provided from other sources, since the capital assets themselves cannot be used for this purpose.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current assets	$ 86,956	$ 24,406	$ 24,252	$ 27,480	$ 111,208	$ 51,886
Internal balances	-	-	-	-	-	-
Restricted investments	-	-	29,070	10,546	29,070	10,546
Capital assets	35,863	39,247	59,647	49,697	95,509	88,944
Total assets	122,818	63,653	112,969	87,723	235,787	151,376
Deferred outflows of resources	2,039	2,380	201	275	2,240	2,655
Current liabilities	10,348	8,831	6,049	4,651	16,397	13,482
Long-term liabilities	87,354	34,848	64,386	42,954	151,740	77,802
Total liabilities	97,702	43,679	70,435	47,605	168,137	91,284
Deferred inflows of resources	1,077	330	127	37	1,204	367
Net Position						
Net Investment in capital assets	20,557	16,730	36,339	35,250	56,896	51,980
Restricted	7,368	9,064	7	7	7,375	9,071
Unrestricted	(1,848)	(3,770)	6,263	5,099	4,415	1,329
Total net position	$ 26,078	$ 22,024	$ 42,608	$ 40,356	$ 68,686	$ 62,380

Governmental Activities. The program revenues for the governmental activities were $7,497,718 and total general revenues and transfers were $38,719,993 for the fiscal year ended September 30, 2018. Expenses for these activities were $42,164,404. Net position for Governmental Activities increased by $4,053,307. This was primarily caused by a 9.15% increase in tax revenues coupled with a 6.87% increase in program revenues.

Business-type Activities. The program revenues for the City's business-type activities were $24,433,490 for the fiscal year ended September 30, 2018. Expenses for these activities were $20,165,816, resulting in income of $4,267,674 from operations before nonoperating revenues and expenses. Net position with the inclusion of nonoperating activities and transfers increased by $2,251,821. This is primarily due to increased water and sewer rates as approved by the City Council for January 2018, offset by increased expenses related to the purchase of water.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	$ 6,720	$ 6,480	$ 24,223	$ 22,656	$ 30,943	$ 29,136
Operating grants and contributions	46	25	-	-	46	25
Capital grants and contributions	732	511	210	626	942	1,137
General revenues						
Property taxes	19,144	16,273	-	-	19,144	16,273
Other taxes	15,562	15,538	-	-	15,562	15,538
Interest and investment earnings	988	228	812	356	1,800	584
Gain on sale of assets	5	-	-	-	5	-
Other general revenue	194	140	-	-	194	140
Total revenues	43,391	39,195	25,245	23,638	68,636	62,833
Expenses						
Public safety	22,212	22,071	-	-	22,212	22,071
Leisure services	5,316	5,364	-	-	5,316	5,364
Community services	2,316	1,811	-	-	2,316	1,811
General government/administration	5,359	5,172	-	-	5,359	5,172
Public services	5,696	5,422	-	-	5,696	5,422
Interest on long term debt	1,265	750	-	-	1,265	750
Water and sewer	-	-	19,194	18,565	19,194	18,565
Stormwater	-	-	972	873	972	873
Total expenses	42,164	40,590	20,166	19,438	62,330	60,028
Increases (decreases) in net position before transfers	1,227	(1,395)	5,079	4,200	6,306	2,805
Transfers	2,827	2,698	(2,827)	(2,698)	-	-
Increase in net position	4,054	1,303	2,252	1,502	6,306	2,805
Net position - October 1	22,024	22,292	40,356	38,843	62,380	61,135
Cumulative effect of change in accounting principle	-	(1,571)	-	11	-	(1,560)
Net position - September 30	$ 26,078	$ 22,024	$ 42,608	$ 40,356	$ 68,686	$ 62,380

General Fund Budgetary Highlights

General Fund budget to actual performance for the fiscal year outperformed budgetary expectations, primarily in charges for services. The total operating revenues were $31,482,545, which was over budgetary expectations by $536,969. The net other financing sources totaling $3,497,715 the General Fund completed the fiscal year with a positive variance that resulted in a $1,708,022 net increase in fund balance.

The City's Funds

The following tables present a summary of General, Special Revenue, Capital Projects and Debt Service Fund revenues and expenditures for the fiscal year ended September 30, 2018, and the amount and percentage of increases and decreases in relation to the prior year:

General Revenues
(in thousands)

	2017	2018	2018 Percent of Total	Increase (Decrease) from 2017	Percent Increase (Decrease)
Taxes	$ 31,805	$ 34,729	81%	$ 2,924	9%
Licenses, permits, and fees	1,056	1,005	2%	(51)	-5%
Charges for services	3,333	3,652	8%	319	10%
Fines and forfeitures	1,742	1,802	4%	60	3%
Intergovernmental	694	686	2%	(8)	-1%
Interest	228	988	2%	760	333%
Miscellaneous	224	228	1%	4	2%
Total	$ 39,082	$ 43,090	100%	$ 4,008	10%

General Expenditures
(in thousands)

	2017	2018	2018 Percent of Total	Increase (Decrease) from 2017	Percent Increase (Decrease)
General government	$ 2,335	$ 2,388	5%	$ 53	2%
Community services	1,745	2,176	5%	431	25%
Public services	2,937	3,326	7%	389	13%
Administrative services	2,660	2,741	6%	81	3%
Public safety	20,244	20,602	46%	358	2%
Leisure services	4,306	4,222	10%	(84)	-2%
Capital outlay	2,918	1,460	3%	(1,458)	-50%
Debt service	6,827	7,917	18%	1,090	16%
Total	$ 43,972	$ 44,832	100%	$ 860	2%

Interest income increased significantly 59% due to debt refunding in the current year. The expenditure increase in leisure services by 36% was primarily a result of increased personnel costs, new additional books, and hospitalization and life insurance. Debt Services increased by 16% and capital outlay decreased by 50% primarily due to the debt refunding in the current year.

Capital Asset and Debt Administration

Capital Assets

As of September 30, 2018, the City has $298,411,331 invested in capital assets including police and fire equipment, buildings, park facilities, roads, water, sewer, and storm water facilities. This represents a net increase of 13,746,164, or 4.8%, over last year. Capital assets net of depreciation increased by approximately $5,575,106, or 6.9%, due to significant capital equipment additions, that included, but is not limited to, new patrol pursuit vehicles, a mobile storage trailer, network switch upgrade and a new ambulance unit. The City's capital plans for fiscal year 2018/2019 call for expenditures of approximately $19.1 million for capital projects, primarily in the following categories: streets, drainage, water and sewer distribution system. Most of the scheduled capital improvements are water and sewer related.

For fiscal year 2018/2019 the estimated capital improvement for water and sewer projects is $6,621,200. The most notable of these projects is the automated meter reading (AMR) program which is estimated at $15 million over two years. This project is part of the SWIFT program in which the City was approved for $90 million to finance capital improvement projects that addressed water conservation issues. The AMR project will replace all water meters throughout the City with technologically advanced meters that can measure water usage in more frequent intervals, to prevent water loss. Other water and sewer projects consists of distribution main replacements, to reduce the number of breaks throughout the City.

Additional information on capital asset activity can be found in *Note 7* of this report.

Capital Assets at Year-end
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	$ 7,261	$ 7,261	$ 100	$ 100	$ 7,361	$ 7,361
Buildings and structures	25,774	25,768	675	602	26,449	26,370
Other improvements	130,224	129,875	-	-	130,224	129,875
Equipment	32,124	31,548	4,009	3,998	36,133	35,546
Utility distribution	-	-	84,904	84,314	84,904	84,314
Construction in progress	1,518	765	11,822	434	13,340	1,199
Total	$ 196,901	$ 195,217	$ 101,510	$ 89,448	$ 298,411	$ 284,665

Debt

At year-end, the City had $141,792,004 in General Obligation Bonds, Combination Tax and Revenue Certificates of Obligation, Contractual Obligations and capital lease obligations compared to $66,390,811 at the end of the prior fiscal year, an increase of 113.6%. The primary reason for the increase is due to the refunding 2018 G.O bond and the new issuance of 2017 C.O. bond. In prior year, there were no significant debt being added to the outstanding obligations, the total obligation declined.

Outstanding Debt at Year-end
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligations	$ 72,728	$ 18,809	$ 9,268	$ 2,751	$ 81,996	$ 21,560
Certificates of obligation	2,707	3,115	55,901	40,460	58,608	43,575
Tax Note	670	885	-	-	670	885
Capital lease	518	370	-	-	518	370
Total	$ 76,623	$ 23,179	$ 65,169	$ 43,211	$ 141,792	$ 66,390

The City of Bedford maintains an "AA" rating as it pertains to general obligation bond issuances. The City's rating outlook from S&P's is "Stable." S&P's rating reflects their view of the City's strong wealth and income levels, its historically strong financial performance and reserves, and its moderate debt burden. In their opinion, the City budgetary flexibility remains very strong with reserves above 20% of expenditures. The General Obligation bonds are secured by an ad valorem tax levied against all taxable property within the City, within the limits prescribed by law. Additional information regarding the City's long-term debt can be found in *Note 8* of this report.

Economic Factors and Next Year's Budgets and Rates

The City has witnessed record growth in taxable values this fiscal year. In addition, staff made a concerted effort to think beyond the service needs of a single year and focus more on the fiscal impact of operations and services into future years. Therefore, the City Council adopted a budget that strategically addresses long standing needs in order to maintain high quality service to the citizens of Bedford. By doing so, they increased the property tax rate from $0.520000 per $100 assessed valuation (A.V.) to $0.561862 per A.V., which is an increase of 4 cents.

In budget year 2019, the Council continued its goal to fund a compensation plan for employees to meet current market levels. They did so by instituting a seven-year step plan for public safety personnel. Within this plan, members of the public safety departments may receive mandatory increases in salaries over a seven-year period, so long as budgetary funds are available. In addition, non-public safety personnel will receive cost-of-living increases as well.

Moreover, to keep up with increased wholesale water and wastewater costs, the City Council authorized pass-through rate increases for both areas. In addition, the City conducted another rate study and found that in addition to increased wholesale water and wastewater costs, additional increases in the wastewater rates were deemed necessary to meet cost of service levels. In addition, the City's commitment to the SWIFT program will meet the City Council's goal of replacing the aging water infrastructure throughout the City in addition to improving accuracy and efficiency of meter reading operations, reducing both water loss and overall related costs for the City.

Contacting The City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Division at 2000 Forest Ridge Drive, Bedford, Texas 76021.

Basic Financial Statements

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City of Bedford, Texas
Statement of Net Position
September 30, 2018
(with Summarized Financial Information for 2017)

	Primary Government		Totals	
	Governmental Activities	Business-type Activities	2018	2017 As Restated
ASSETS				
Current assets				
Cash and cash equivalents	$ 17,177,831	$ 7,476,233	$ 24,654,064	$ 24,033,569
Investments	65,023,795	12,673,512	77,697,307	19,619,347
Accounts receivables, net of allowance	4,729,736	4,102,553	8,832,289	8,202,677
Inventories and prepaid expenses	24,572	-	24,572	30,104
Total current assets	86,955,934	24,252,298	111,208,232	51,885,697
Noncurrent assets				
Restricted investments with trustee	-	29,069,577	29,069,577	10,546,412
Capital assets, not being depreciated	8,779,623	11,921,632	20,701,255	8,560,457
Capital assets, being depreciated, net	27,082,938	47,725,148	74,808,086	80,383,192
Total noncurrent assets	35,862,561	88,716,357	124,578,918	99,490,061
Total assets	122,818,495	112,968,655	235,787,150	151,375,758
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension and OPEB contributions	1,465,926	155,778	1,621,704	1,497,806
Deferred pension investment difference	-	-	-	511,671
Deferred pension and OPEB change in assumptions	500,538	45,256	545,794	537,652
Deferred charges on refundings	72,202	-	72,202	107,722
Total deferred outflows of resources	2,038,666	201,034	2,239,700	2,654,851
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	3,373,486	2,466,001	5,839,487	4,307,358
Accrued interest	678,770	329,438	1,008,208	319,503
Customer deposits	-	1,039,087	1,039,087	971,623
Current portion of compensated absences	1,288,387	84,286	1,372,673	1,297,595
Current portion of bonds payable and capital leases	5,007,266	2,130,000	7,137,266	6,586,400
Total current liabilities	10,347,909	6,048,812	16,396,721	13,482,479
Noncurrent liabilities				
Net pension liability	10,562,276	1,173,587	11,735,863	13,007,559
Bonds payable	71,350,829	63,038,621	134,389,450	59,608,192
Capital leases	265,288	-	265,288	196,219
Compensated absences	2,576,774	168,572	2,745,346	2,595,188
Other post-employment benefits	2,598,929	5,208	2,604,137	2,394,808
Total noncurrent liabilities	87,354,096	64,385,988	151,740,084	77,801,966
Total liabilities	97,702,005	70,434,800	168,136,805	91,284,445
DEFERRED INFLOWS OF RESOURCES				
Deferred charge on bond refunding	-	7,220	7,220	-
Deferred pension and OPEB investment difference	611,178	61,050	672,228	-
Deferred pension and OPEB experience difference	466,229	58,586	524,815	365,510
Total deferred inflows of resources	1,077,407	126,856	1,204,263	365,510
NET POSITION				
Net investment in capital assets	20,557,161	36,338,584	56,895,745	51,980,508
Restricted for				
Street, drainage, and capital improvements	2,258,393	6,691	2,265,084	3,227,344
Debt service	472,296	-	472,296	978,394
Economic development	4,224,387	-	4,224,387	4,465,576
Other purposes	66,611	-	66,611	68,215
Public safety	207,823	-	207,823	210,675
Parks and beautification	138,990	-	138,990	120,624
Unrestricted	(1,847,912)	6,262,758	4,414,846	1,329,318
Total net position	$ 26,077,749	$ 42,608,033	$ 68,685,782	$ 62,380,654

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas
Statement of Activities
Year Ended September 30, 2018
(with Summarized Financial Information for 2017)

Program Activities	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government and administration	$ 5,358,893	$ 92,114	$ 11,845	$ -
Community services	2,316,201	1,277,634	-	-
Public services	5,696,229	644	24,697	264,614
Public safety	22,212,547	4,281,278	9,300	443,051
Leisure services	5,315,999	1,068,533	-	24,008
Interest expense	1,264,535	-	-	-
Total governmental activities	42,164,404	6,720,203	45,842	731,673
Business-type activities				
Water and sewer services	19,193,627	22,528,181	-	197,347
Stormwater collection and disposal	972,189	1,695,337	-	12,625
Total business-type activities	20,165,816	24,223,518	-	209,972
TOTAL PRIMARY GOVERNMENT	$ 62,330,220	$ 30,943,721	$ 45,842	$ 941,645
General revenues				
Taxes				
Property taxes, penalty and interest				
Sales				
Franchise				
Occupancy				
Other				
Investment earnings				
Gain (loss) on disposal of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Changes in net position				
Net position, beginning of year				
Cumulative effect of change in accounting principle				
Net position, beginning of year, restated				
NET POSITION, end of year				

The Notes to the Financial Statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government		Totals	
Governmental Activities	Business-type Activities	2018	2017 As Restated
$ (5,254,934)	$ -	$ (5,254,934)	(5,070,160)
(1,038,567)	-	(1,038,567)	(1,481,104)
(5,406,274)	-	(5,406,274)	(4,292,015)
(17,478,918)	-	(17,478,918)	(17,705,488)
(4,223,458)	-	(4,223,458)	(4,276,143)
(1,264,535)	-	(1,264,535)	(750,473)
(34,666,686)	-	(34,666,686)	(33,575,383)
-	3,531,901	3,531,901	3,018,406
-	735,773	735,773	824,930
-	4,267,674	4,267,674	3,843,336
$ (34,666,686)	$ 4,267,674	$ (30,399,012)	$ (29,732,047)
$ 19,143,856	$ -	$ 19,143,856	$ 16,273,095
10,936,716	-	10,936,716	10,905,398
3,432,589	-	3,432,589	3,331,500
954,751	-	954,751	1,070,774
237,958	-	237,958	231,388
987,778	811,952	1,799,730	584,432
4,733	-	4,733	8,329
193,807	-	193,807	132,463
2,827,805	(2,827,805)	-	-
38,719,993	(2,015,853)	36,704,140	32,537,379
4,053,307	2,251,821	6,305,128	2,805,332
22,024,442	40,356,212	62,380,654	61,134,625
-	-	-	(1,559,303)
22,024,442	40,356,212	62,380,654	59,575,322
$ 26,077,749	$ 42,608,033	$ 68,685,782	$ 62,380,654

City of Bedford, Texas

Balance Sheet – Governmental Funds
September 30, 2018
(with Summarized Financial Information for 2017)

	General	Debt Service	Economic Development 4B	Capital Projects
ASSETS				
Cash and cash equivalents	$ 3,828,186	$ 523,197	$ 767,359	$ 10,436,253
Investments	9,146,148	511,434	2,784,182	50,809,529
Receivables				
Taxes, less allowance for uncollectible	2,662,113	116,896	511,125	-
Accounts	519,441	-	1,511	-
Other	494,742	-	-	36,665
Due from other funds	39,856	-	-	-
Inventories and prepaid items	24,572	-	-	-
TOTAL ASSETS	16,715,058	1,151,527	4,064,177	61,282,447
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	2,672,009	461	383,236	168,435
Due to other funds	-	-	-	537
TOTAL LIABILITIES	2,672,009	461	383,236	168,972
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	395,501	101,517	-	-
FUND BALANCES				
Nonspendable				
Inventories and prepaid items	24,572	-	-	-
Restricted for				
Debt service	-	1,049,549	-	-
Street and drainage improvements	35,464	-	-	-
Capital acquisition and construction	-	-	-	61,113,475
Economic development	-	-	3,680,941	-
Public safety	-	-	-	-
Parks and beautification	-	-	-	-
Other	-	-	-	-
Unassigned	13,587,512	-	-	-
TOTAL FUND BALANCES	13,647,548	1,049,549	3,680,941	61,113,475
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 16,715,058	$ 1,151,527	$ 4,064,177	$ 61,282,447

The Notes to the Financial Statements are an integral part of this statement.

Nonmajor Government	Totals 2018	2017 As Restated
$ 1,622,836	$ 17,177,831	$ 8,785,594
1,772,502	65,023,795	11,231,940
-	3,290,134	3,073,194
145,903	666,855	636,827
241,340	772,747	648,112
-	39,856	25,452
-	24,572	30,104
3,782,581	86,995,790	24,431,223
149,345	3,373,486	2,647,848
39,319	39,856	25,452
188,664	3,413,342	2,673,300
241,340	738,358	759,097
-	24,572	30,104
-	1,049,549	973,557
2,390,700	2,426,164	2,427,846
-	61,113,475	828,271
543,446	4,224,387	4,465,576
212,830	212,830	210,675
138,990	138,990	120,624
66,611	66,611	68,215
-	13,587,512	11,873,958
3,352,577	82,844,090	20,998,826
$ 3,782,581	$ 86,995,790	$ 24,431,223

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City of Bedford, Texas
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2018

Fund balances of governmental funds		$ 82,844,090
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and therefore are not reported as assets in the governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.		35,862,561
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(678,770)
Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements.		738,358
Deferred outflows of resources and deferred inflows of resources represent amounts related to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:		
Employer pension and OPEB contributions	1,465,926	
Pension and OPEB change in assumptions	500,538	
Deferred charges on refundings	72,202	
Pension and OPEB Investment difference	(611,178)	
Pension and OPEB experience difference	(466,229)	961,259
Noncurent liabilities, including bonds payable and net pension liability are not due and payable in the current period and therefore are not reported in the fund financial statements. Noncurrent liabilities at year-end consist of:		
General and contractual obligation bonds	(72,965,000)	
Bond premium	(3,140,673)	
Net pension liability	(10,562,276)	
Compensated absences	(3,865,161)	
OPEB liability	(2,598,929)	
Capital leases	(517,710)	(93,649,749)
Total net position of governmental activities		$ 26,077,749

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
Year Ended September 30, 2018
(with Summarized Financial Information for 2017)

	General	Debt Service	Economic Development 4B
REVENUES			
Taxes, penalty and interest	$ 24,951,068	$ 6,049,321	$ 2,773,735
Licenses, permits, and fees	1,004,797	-	-
Charges for services	3,314,391	-	-
Fines and forfeitures	1,613,738	-	-
Support from governmental entities	242,256	-	-
Interest	225,030	25,275	54,584
Miscellaneous	131,265	-	-
Total revenues	31,482,545	6,074,596	2,828,319
EXPENDITURES			
Current			
General government	2,387,709	-	-
Community services	1,021,515	-	-
Public services	1,941,446	-	1,384,748
Administrative services	2,699,988	-	-
Public safety	20,226,859	-	-
Leisure services	4,145,159	-	-
Capital outlay	520,803	-	203,625
Debt service			
Principal retirement	314,573	6,755,000	-
Interest and fiscal agent fees	14,186	634,351	-
Total expenditures	33,272,238	7,389,351	1,588,373
Excess (deficiency) of revenues over (under) expenditures	(1,789,693)	(1,314,755)	1,239,946
OTHER FINANCING SOURCES (USES)			
Transfers in	2,960,634	1,390,747	41,478
Transfers out	(15,000)	-	(1,390,747)
Issuance of general obligation bonds	-	-	-
Premium on bonds issued	-	-	-
Issuance of capital leases	462,030	-	-
Proceeds from sale of capital assets	4,733	-	-
Insurance proceeds	85,318	-	-
Total other financing sources (uses)	3,497,715	1,390,747	(1,349,269)
Net change in fund balance	1,708,022	75,992	(109,323)
Fund balances, beginning of year	11,939,526	973,557	3,790,264
FUND BALANCES, end of year	$ 13,647,548	$ 1,049,549	$ 3,680,941

The Notes to the Financial Statements are an integral part of this statement.

Capital Projects	Nonmajor Government	Totals 2018	Totals 2017
$ -	$ 954,751	$ 34,728,875	$ 31,805,280
-	-	1,004,797	1,056,327
-	337,259	3,651,650	3,332,863
-	188,520	1,802,258	1,742,325
-	444,054	686,310	694,134
625,104	57,786	987,779	227,800
-	97,047	228,312	223,805
625,104	2,079,417	43,089,981	39,082,534
-	-	2,387,709	2,335,285
19,979	1,133,963	2,175,457	1,744,784
-	-	3,326,194	2,937,472
-	41,051	2,741,039	2,659,858
-	375,449	20,602,308	20,243,699
-	76,565	4,221,724	4,306,461
328,157	407,713	1,460,298	2,917,962
-	-	7,069,573	5,914,341
199,191	-	847,728	912,214
547,327	2,034,741	44,832,030	43,972,076
77,777	44,676	(1,742,049)	(4,889,542)
-	15,000	4,407,859	4,218,256
-	(174,307)	(1,580,054)	(1,520,562)
57,540,000	-	57,540,000	1,105,000
2,667,427	-	2,667,427	-
-	-	462,030	323,221
-	-	4,733	8,329
-	-	85,318	42,587
60,207,427	(159,307)	63,587,313	4,176,831
60,285,204	(114,631)	61,845,264	(712,711)
828,271	3,467,208	20,998,826	21,711,537
$ 61,113,475	$ 3,352,577	$ 82,844,090	$ 20,998,826

City of Bedford, Texas

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2018

Net change in fund balances – total governmental funds		$ 61,845,264
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.		1,690,912
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(5,075,689)
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements as follows:		
General and certificates of obligation bonds	6,755,000	
Capital lease	314,575	7,069,575
The issuance of long-term debt, such as bonds and capital leases, are shown as "Other Sources" and "Other Uses" in the governmental funds, but are shown on the statement of net position with related costs amortized over the life of the bonds. Differences consist of the following:		
Issuance of general obligatin bonds	(57,540,000)	
Premium on bonds issued	(2,667,427)	
Issuance of capital leases	(462,030)	
Amortization of refunding loss	(9,155)	
Amortization of bond premium	156,473	(60,522,139)
Current year pension expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows of resources and deferred inflow of resources balances.		(38,311)
Current year OPEB expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in OPEB liability, deferred outflows of resources and deferred inflow of resources balances.		(106,016)
Current year change in long-term liability for compensated absences liability do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. This is reflected in current and noncurrent compensated absences.		(225,425)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(564,125)
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. This is the net change in these revenues for the year.		(20,739)
Change in net position of governmental activities		$ 4,053,307

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas
Statement of Net Position
Proprietary Funds
September 30, 2018
(with Summarized Financial Information for 2017)

	Water and Sewer	Stormwater Utility	Totals 2018	Totals 2017 As Restated
ASSETS				
Current assets				
Cash and cash equivalents	$ 3,771,316	$ 3,704,917	$ 7,476,233	$ 15,247,975
Investments	10,657,618	2,015,894	12,673,512	8,387,407
Accounts receivable, net of allowance	3,827,289	275,264	4,102,553	3,844,544
Total current assets	18,256,223	5,996,075	24,252,298	27,479,926
Noncurrent assets				
Restricted investments with trustee	29,069,577	-	29,069,577	10,546,412
Property, plant and equipment				
Land	100,255	-	100,255	100,255
Equipment	3,743,817	265,403	4,009,220	3,997,818
Buildings and improvements	675,277	-	675,277	601,657
Utility distribution	70,187,368	14,716,504	84,903,872	84,313,575
Construction in progress	11,594,961	226,416	11,821,377	433,785
Less accumulated depreciation	(34,145,492)	(7,717,729)	(41,863,221)	(39,750,779)
Property, plant and equipment, net	52,156,186	7,490,594	59,646,780	49,696,311
Total noncurrent assets	81,225,763	7,490,594	88,716,357	60,242,723
Total assets	99,481,986	13,486,669	112,968,655	87,722,649
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension and OPEB contributions	140,213	15,565	155,778	144,236
Deferred pension investment difference	-	-	-	51,167
Deferred pension and OPEB change in assumptions	40,749	4,507	45,256	53,766
Deferred charges on refundings	-	-	-	26,365
Total deferred outflows of resources	180,962	20,072	201,034	275,534
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	2,412,050	53,951	2,466,001	1,659,510
Accrued interest	272,883	56,555	329,438	204,858
Customer deposits	1,039,087	-	1,039,087	971,623
Current portion compensated absences	75,889	8,397	84,286	84,349
Current portion of bonds payable	1,895,000	235,000	2,130,000	1,730,891
Total current liabilities	5,694,909	353,903	6,048,812	4,651,231
Noncurrent liabilities				
Net pension liability	1,056,228	117,359	1,173,587	1,300,756
Bonds payable	56,673,409	6,365,212	63,038,621	41,479,946
Compensated absences	151,779	16,793	168,572	168,698
Other post-employment benefits	5,208	-	5,208	4,789
Total noncurrent liabilities	57,886,624	6,499,364	64,385,988	42,954,189
Total liabilities	63,581,533	6,853,267	70,434,800	47,605,420
DEFERRED INFLOWS OF RESOURCES				
Deferred charges on refundings	7,220	-	7,220	-
Deferred pension and OPEB investment difference	61,050	-	61,050	-
Deferred pension and OPEB experience difference	46,623	11,963	58,586	36,551
Total deferred inflows of resources	114,893	11,963	126,856	36,551
NET POSITION				
Net investment in capital assets	31,052,720	5,285,864	36,338,584	35,250,028
Restricted for drainage improvements	-	6,691	6,691	6,691
Unrestricted	4,913,802	1,348,956	6,262,758	5,099,493
TOTAL NET POSITION	$ 35,966,522	$ 6,641,511	$ 42,608,033	$ 40,356,212

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Revenues, Expenses and
Changes in Fund Net Position – Proprietary Funds
Year Ended September 30, 2018
(with Summarized Financial Information for 2017)

	Water and Sewer	Stormwater Utility	Totals 2018	Totals 2017 As Restated
OPERATING REVENUES				
Water sales	$ 14,145,865	$ -	$ 14,145,865	$ 13,197,953
Charges for sewer services	8,150,136	-	8,150,136	7,616,896
Stormwater charges	-	1,665,337	1,665,337	1,623,747
Other	232,180	30,000	262,180	217,640
Total operating revenues	22,528,181	1,695,337	24,223,518	22,656,236
OPERATING EXPENSES				
Water supply and distribution	8,692,222	-	8,692,222	8,972,551
Wastewater collection and disposal	4,829,038	-	4,829,038	4,353,139
Billing and collection	1,400,718	500,385	1,901,103	1,848,219
Public services/engineering	910,904	-	910,904	1,038,085
Depreciation	1,786,923	325,517	2,112,440	2,038,251
Total operating expenses	17,619,805	825,902	18,445,707	18,250,245
OPERATING INCOME	4,908,376	869,435	5,777,811	4,405,991
NONOPERATING REVENUES (EXPENSES)				
Interest income	750,250	61,702	811,952	356,632
Interest expense and fiscal agent charges	(1,573,822)	(146,287)	(1,720,109)	(1,188,332)
Total nonoperating revenues (expenses)	(823,572)	(84,585)	(908,157)	(831,700)
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	4,084,804	784,850	4,869,654	3,574,291
CAPITAL CONTRIBUTIONS	197,347	12,625	209,972	625,677
TRANSFERS IN	198,061	-	198,061	191,426
TRANSFERS OUT	(2,475,683)	(550,183)	(3,025,866)	(2,889,120)
CHANGE IN NET POSITION	2,004,529	247,292	2,251,821	1,502,274
NET POSITION, beginning of year	33,961,993	6,394,219	40,356,212	38,843,035
Cumulative effect of change in accounting principle	-	-	-	10,903
NET POSITION, beginning of year, restated	33,961,993	6,394,219	40,356,212	38,853,938
NET POSITION, end of year	$ 35,966,522	$ 6,641,511	$ 42,608,033	$ 40,356,212

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2018
(with Summarized Financial Information for 2017)

	Water and Sewer	Stormwater Utility	Totals 2018	Totals 2017
OPERATING ACTIVITIES				
Receipts from customers and users	$ 22,347,031	$ 1,685,942	$ 24,032,973	$ 22,726,453
Payments to other funds	-	-	-	(200,000)
Payments to suppliers	(12,292,478)	(161,742)	(12,454,220)	(13,437,180)
Payments to or on behalf of employees for services	(2,637,779)	(298,809)	(2,936,588)	(2,796,916)
Net cash provided by operating activities	7,416,774	1,225,391	8,642,165	6,292,357
NONCAPITAL FINANCING ACTIVITIES				
Transfers in	198,061	-	198,061	191,426
Transfers out	(2,475,683)	(550,183)	(3,025,866)	(2,889,120)
Net cash used in noncapital financing activities	(2,277,622)	(550,183)	(2,827,805)	(2,697,694)
CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital related debt	22,455,000	3,925,000	26,380,000	-
Principal paid on capital related debt	(4,740,000)	(140,000)	(4,880,000)	(1,655,000)
Interest and fiscal agent fees	(1,260,086)	24,239	(1,235,847)	(1,194,122)
Acquisition and construction of capital assets	(11,674,241)	(178,696)	(11,852,937)	(3,086,863)
Net cash provided by (used in) capital and related financing activities	4,780,673	3,630,543	8,411,216	(5,935,985)
INVESTING ACTIVITIES				
Purchase of investments	(22,631,612)	(1,761,638)	(24,393,250)	(18,991,312)
Proceeds from sale of investments	1,583,980	-	1,583,980	27,631,253
Interest on investments	750,250	61,702	811,952	356,632
Net cash provided by (used in) investing activities	(20,297,382)	(1,699,936)	(21,997,318)	8,996,573
NET INCREASE IN CASH AND CASH EQUIVALENTS	(10,377,557)	2,605,815	(7,771,742)	6,655,251
CASH AND CASH EQUIVALENTS, beginning of year	14,148,873	1,099,102	15,247,975	8,592,724
CASH AND CASH EQUIVALENTS, end of year	$ 3,771,316	$ 3,704,917	$ 7,476,233	$ 15,247,975

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Cash Flows – Proprietary Funds – Continued
Year Ended September 30, 2018
(with Summarized Financial Information for 2017)

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	$ 4,908,376	$ 869,435	$ 5,777,811	$ 4,405,991
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	1,786,923	325,517	2,112,440	2,038,251
Changes in				
Receivables	(248,614)	(9,395)	(258,009)	57,657
Due to and advances from other funds	-	-	-	(200,000)
Accounts payable and accrued liabilities	892,769	38,302	931,071	(73,354)
Pension & other post employment benefits	11,152	425	11,577	30,178
Compensated absences	(1,296)	1,107	(189)	21,074
Customer deposits	67,464	-	67,464	12,560
Net cash provided by operating activities	$ 7,416,774	$ 1,225,391	$ 8,642,165	$ 6,292,357
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	$ 197,347	$ 12,625	$ 209,972	$ 625,677

The Notes to the Financial Statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

The City of Bedford, Texas (City) Home Rule Charter was adopted September 24, 1966. The City operates under a Council/Manager form of government and provides the following services by its charter: public safety, public works, health, culture, recreation, community development, water and sewer utilities.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities, and the reported revenues, expenditures and expenses. Actual results could vary from the estimates that are used.

Significant policies of the City are described below.

A. Financial Reporting Entity

Generally accepted accounting principles require that financial statements present the City (primary government) and its component units. Component units are organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The accompanying general purpose financial statements comply with the provisions of the GASB Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34, in that the financial statements include all organizations, activities, functions and component units for which the City is financially accountable or those which would be misleading to exclude. In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. Based on these criteria, the following blended component unit is included in the accompanying financial statements. Blended component units, although legally separate entities are, in substance, part of the City's operations.

The City Street Improvement Economic Development Corporation (EDC) is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the EDC is reported as if it were part of the primary government because its sole purpose is to operate, maintain, and finance the costs of the City's street improvements using taxes collected under Section 4B of the Development Corporation Act of 1979. Separate financial statements are not available.

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

The primary effect of internal activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation on the government-wide statement of activities.

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The City reports the following major governmental funds:

- General Fund – is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- Debt Service Fund – is used to account for the accumulation of resources for the payment of general long-term obligations principal, interest and related costs.
- Economic Development 4B Fund – is used to account for revenues and expenses associated with the operation, maintenance and financing of the costs of the City's street improvements. The fund's primary revenue source is sales taxes, and a small amount of interest.
- Capital Projects Fund – is used to account for construction projects funded from major resources such as general obligation bonds, certificates of obligation, short-term obligations and operating funds for governmental purposes.

All proprietary funds account for operations that are primarily financed by user charges.

The City reports the following proprietary funds:

- Water and Sewer Fund – accounts for providing water and sewer services to residential and commercial users in the City.
- Stormwater Utility Fund – accounts for the storm drainage runoff service provided to the residential and commercial users of the City.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services (except for sanitation services), fines and forfeitures and rents and concessions are recorded as revenues when received in cash because they are generally not measurable until actually received. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers cash and cash equivalents to be all unrestricted cash and certificates of deposit with an original maturity date of three months or less.

E. Investments

Investments in debt securities and money market mutual funds are carried at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit are carried at cost.

Investments in external investment pools are carried at net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the City's fiscal year end. In instances where pools transact at amortized cost, no readily determinable fair value is deemed available.

F. Receivables

Accounts receivable consist primarily of amounts due from citizens for various services provided by the City as well as property taxes and sales taxes receivable. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of individual accounts. The primary factors considered in determining the amount of the allowance are collection history, the aging of the accounts and other specific information known to management that may affect collectability.

G. Inventories

Inventories in the general and proprietary fund types are carried at cost (first-in, first-out method). The City uses the consumption method for determining cost; inventories are recognized as expenditures when consumed.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure such as roads, bridges, drainage systems and lighting systems, are reported at historical cost. Contributed assets are recorded at their acquisition value as of the date received. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets. Estimated useful lives of major categories of property are:

Buildings	20 – 40 years
Infrastructure	20 – 30 years
Water and sewer system	50 years
Improvements	10 – 20 years
Machinery and equipment	3 – 10 years

Interest expense is capitalized on contracts with durations over one-year in the proprietary funds. The minimum capitalization threshold is any item with a total cost greater than $5,000 and a useful life greater than one-year.

I. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service from the City.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay only if the compensated absences have matured with unused reimbursable leave outstanding following an employee's resignation or retirement. Vested or accumulated vacation leave within proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of such liabilities.

J. Defined Benefit Pension Plans

For purposes of measuring the net pension liability, pension related deferred outflows of resources and deferred inflows of resources, and pension expense, City specific information about its fiduciary net position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's fiduciary net position have been determined on the same basis as reported by TMRS. For this purpose, plan contributions are recognized in the period compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's total pension liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

K. Other Post-Employment Benefits (OPEB)

The fiduciary net position of the retiree health plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account. Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

L. Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources.

This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- *Deferred charges on refunding* – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- *Employer Contributions* – Pensions and OPEB – These contributions are those made after the measurement date through the fiscal year end (January 1st – September 30th) resulting in a cash outlay not yet recognized under GASB 68 and 75. This amount is deferred and recognized in the following fiscal year.
- *Investment difference* – Pensions and OPEB – These amounts represent the difference in projected and actual earnings on pension and OPEB plan assets. These differences are deferred and amortized over a closed five-year period.
- *Assumption changes* – Pensions and OPEB – These amounts represent the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- *Experience difference* – Pensions and OPEB – These amounts represent the difference in expected and actual pension and OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- *Unavailable revenue* – These amounts represent uncollected property taxes, uncollected ambulance revenue and property assessments. These amounts are deferred in the fund's financial statements and recognized once payments are received in the following fiscal year(s).

Fund allocation of pension related balances is determined by individual employee assignment and is modeled by allocation of the net pension liability. This assignment is uniform with regard to liquidation of the net pension liability.

M. Interfund Transactions

During the course of normal City operations, transactions occur between funds, including reimbursement of expenditures and transfers of resources to provide services, construct assets and service debt. There is no interest charged between funds for these advances. Interfund transactions are eliminated upon consolidation in the government-wide financial statements unless the transaction is deemed to be at market or near market value and is reported as revenue, expenditure or expense.

N. Net Position

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, donors, grantors or laws or regulations of other governments.

The net position of the Tourism Development Fund and the Economic Development 4B Fund are restricted by enabling legislation as indicated on the statement of net position. The City's policy is to use restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

O. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Balances include items not expected to be converted to cash including inventories and prepaid items.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned* – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- *Unassigned* – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds.

Net position restricted for other purposes represents restricted fund balances for miscellaneous donations and NETCO/Motorola Rebranding.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, deferred inflows of resources and contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. New Pronouncements

The City has adopted and implemented the following GASB statements which have become effective for the fiscal year 2018:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions

- The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement applies to all state and governmental entities and was effective for fiscal year 2018. See note 10 for OPEB disclosure.

GASB Statement No. 82, Pension Issues- an amendment of GASB Statements No. 67, No. 68, and No. 73

- The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement applies to all state and governmental entities and was effective for fiscal year 2018. See note 9 for pension disclosure.

GASB Statement No. 85, Omnibus 2017

- The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement applies to all state and governmental entities and was effective for fiscal year 2018. See note 10 for OPEB disclosure.

GASB Statement No. 86, Certain Debt Extinguishment Issues, which was effective for fiscal year 2018.

- The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement applies to all state and governmental entities and was effective for fiscal year 2018. The implementation of this statement did not impact the City's financial statements.

R. Prior Year Comparative Information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements as of and for the year ended September 30, 2018, from which the summarized information was derived.

Note 2. Deposits and Investments

The deposit and investment policies of the City are governed by State Statutes and the adopted City Investment Policy. City policies governing bank deposits require depositories to be insured by the Federal Deposit Insurance Corporation (FDIC). Financial institutions, and depositories must fully collateralize all deposits in excess of FDIC insurance limits.

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agency securities, repurchase agreements and municipal pools. The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Investments measured at fair value are categorized within the fair value hierarchy. Fair value refers to the price that would be received to sell as asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

The hierarchy provides a framework for measuring fair value based on three levels. The three level fair value hierarchy describes the inputs that are used to measure assets and liabilities.

Level 1	Quoted prices in active markets for identical assets or liabilities;
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
Level 3	Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The fair value hierarchy gives the highest priority to Level 1 and the lowest priority to level 3 inputs. If a price for an identical asset or liability is not observable a government should measure fair value using another valuation technique that maximizes the use of an asset inputs from more than one level of the fair value hierarchy. The measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The following table presents the weighted average maturity, credit rating, and fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2018:

September 30, 2018	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Weighted Average Maturity (Days)	Standard & Poor's Credit Rating
Investments by fair value level						
U.S. agency securities	$ 17,897,370	$ -	$ 17,897,370	$ -	218 days	Aaa/AA+
Money market mutual funds	10,581,099	10,581,099	-	-	1 day	Aaa/AA+
Total investments by fair value level	28,478,469	$ 10,581,099	$ 17,897,370	$ -		
Investments measured at net asset value						
TexSTAR	7,018,596				1 day	AAAm
TexasTERM	273,903				1 day	AAAm
Lone Star Investment Pool	10,058				1 day	AAAm
Texas CLASS	215,864				1 day	AAAm
	7,518,421					
Non-negotiable certificate of deposit	77,697,306				262 days	N/A
Total	$113,694,196					

B. Investments

Investment Pools and non-negotiable Certificates of Deposit are measured at net asset value (NAV) and are exempt from fair value reporting and therefore have been excluded from the hierarchy.

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The TexStar, TexasTerm, Lone Star and Texas CLASS are external investment pools measured at NAV. These investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pools. Each of these investment pools has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity. These investment pools are authorized by the Texas Legislature. The Texas Treasury Safekeeping Trust Company is the trustee and is a limited purpose trust company authorized pursuant to Texas Government Code.

Interest Rate Risk — In accordance with its investment policy, the City manages its exposure to declines in fair market values by investing operating funds primarily in short-term securities, money market mutual funds or similar investment pools. Furthermore, unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three years from the date of purchase.

Credit Risk — It is the City's policy to follow statutes, which authorize the City to invest in obligations of the U. S. Treasury agencies and instrumentalities, obligations of the state of Texas and related agencies, obligations of states, agencies, counties, cities and other political subdivisions of any state rated "A" or above by Standard & Poor's Corporation or Moody's, repurchase agreements and designated investment pools. The City's assets in investment pools meet this requirement as noted above.

Custodial Credit Risk — Investments — In accordance with its investment policy, the City minimizes custodial credit risk by limiting investments to the safest types of investment vehicles, prequalifying the financial institutions, brokers/dealers, intermediaries and advisors with which the City will do business and diversifying the investment portfolio so that potential losses on individual investments will be minimized. Currently, all investments are registered in the City's name.

Custodial Credit Risk — Deposits — The City's deposits do not have any exposure to credit risk because all deposits in financial institutions are fully collateralized by U.S. government obligations or obligations of the state of Texas and its agencies that have a value of not less than the principal amount of the deposits. The collateral is held by a third-party custodial bank as the City's agent.

Concentration of Credit Risk — The City limits investments to avoid concentration in securities from a specific issuer or business sector (where appropriate). As noted above, the City's investments are distributed into a variety of allowable investment vehicles. Management does not believe there is a significant risk of loss due to the credit rating and nature of the investments.

Following is a reconciliation of the City's deposit and investment balances at September 30, 2018 to the government-wide statement of net position:

		Balance at September 30, 2018
Investments	$	113,694,196
Deposits and cash on hand		17,726,752
	$	131,420,948

		Government-wide Statement of Net Position
Cash and cash equivalents	$	24,654,064
Investments		77,697,307
Restricted Investments with Trustee		29,069,577
	$	131,420,948

Note 3. Receivables and Governmental Funds Deferred Inflows

Receivables, including amounts due from other governments, as of September 30, 2018, for the City's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds					Proprietary Funds		
	General	Debt Service	Economic Development	Capital Projects	Nonmajor Governmental	Water and Sewer	Stormwater Utility	Total
Receivables								
Taxes								
Delinquent property taxes	$ 272,485	$ 143,676	$ -	$ -	$ -	$ -	$ -	$ 416,161
Sales taxes	1,533,376	-	511,125	-	-	-	-	2,044,501
Franchise	842,502	-	-	-	-	-	-	842,502
Other	60,766	-	-	-	-	-	-	60,766
Accounts	519,441	-	1,511	-	145,903	4,104,263	275,264	5,046,382
Other	494,742	-	-	36,665	241,340	-	-	772,747
Gross receivables	3,723,312	143,676	512,636	36,665	387,243	4,104,263	275,264	9,183,059
Less allowance for uncollectibles	(47,016)	(26,780)	-	-	-	(276,974)	-	(350,770)
Net total receivables	$ 3,676,296	$ 116,896	$ 512,636	$ 36,665	$ 387,243	$ 3,827,289	$ 275,264	$ 8,832,289

Governmental funds report deferred inflows in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period.

At the end of the year, the various components of deferred inflows reported in the governmental funds were as follows:

	Unavailable
Delinquent property taxes receivable (General Fund)	$ 183,804
Delinquent property taxes receivable (Debt Service Fund)	101,517
Delinquent ambulance receivable (General Fund)	211,697
Assessments (Nonmajor Governmental)	241,340
Total deferred inflows for governmental funds	$ 738,358

Note 4. Property Tax

Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied each October 1, on the assessed value listed as of the prior January 1, for all real property and personal business property located in the City. The assessed value upon which the fiscal 2018 levy was based was $3,828,938,818. The appraisal function is performed by the Tarrant County Appraisal District.

General property taxes are limited by the Texas Constitution to $2.50 per $100 of assessed valuation and by Home Rule Charter to $1.50 per $100 of assessed valuation for general governmental services and payment of principal and interest on long-term debt. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2018, was $.52 per $100 of assessed valuation.

Taxes are due by January 31 following the levy date. Current tax collection for the year ended September 30, 2018, was 99.8% of the tax levy.

Uncollected property taxes levied for the current fiscal year are recognized as receivables, and are deemed collectible in full.

Note 5. Interfund Transfers

Interfund transfers are payments between funds that are designed to cover various operating and overhead expenses and to allocate charges for services performed by one fund on behalf of another fund.

Individual fund transfers for the year ended September 30, 2018, were:

	Transfer In					
	General	Debt Service	Economic Development	Nonmajor Governmental	Water and Sewer	Total
Transfers out						
General Fund	$ -	$ -	$ -	$ 15,000	$ -	$ 15,000
Economic Development 4B	-	1,390,747	-	-	-	1,390,747
Nonmajor Governmental	132,829	-	41,478	-	-	174,307
Water and Sewer	2,475,683	-	-	-	-	2,475,683
Stormwater Utility	352,122	-	-	-	198,061	550,183
Total transfers out	$ 2,960,634	$ 1,390,747	$ 41,478	$ 15,000	$ 198,061	$ 4,605,920

Note 6. Interfund Assets/Liabilities

Interfund balances reflect payments made by one fund on behalf of another fund for which cash settlement has not been made as of the end of the accounting period. Amounts due to and from other funds will be settled within the next accounting period. As of September 30, 2018 interfund balances ewre outstanding was between the General Fund, Capital Projects Fund and a nonmajor governmental fund as follows:

	Due From		
	Capital Projects	Nonmajor Governmental	Total
Due To			
General Fund	$ 537	$ 39,319	$ 39,856
Total	$ 537	$ 39,319	$ 39,856

The due to the General Fund from the Various Grants Fund is the result of the General Fund funding purchases prior to the receipt of grant funding. The due to the General Fund from the Capital Projects Fund is the result of the General Fund funding capital expenditures prior to the receipt of bond proceed transfers.

Note 7. Capital Assets

The following tables summarize changes in capital assets during the year ended September 30, 2018:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Governmental Activities					
Capital assets, not being depreciated					
Land	$ 7,261,343	$ -	$ -	$ -	$ 7,261,343
Construction in progress	765,074	871,357	-	(118,151)	1,518,280
Total assets not being depreciated	8,026,417	871,357	-	(118,151)	8,779,623
Capital assets, being depreciated					
Buildings and improvements	25,768,169	5,665	-	-	25,773,834
Equipment	31,548,473	583,275	(7,659)	-	32,124,089
Improvements other than buildings	129,875,018	230,615	-	118,151	130,223,784
Total capital assets being depreciated	187,191,660	819,555	(7,659)	118,151	188,121,707
Less accumulated depreciation					
Buildings and improvements	(13,575,403)	(705,230)	-	-	(14,280,633)
Equipment	(26,888,960)	(1,566,782)	7,659	-	(28,448,083)
Improvements other than buildings	(115,506,376)	(2,803,677)	-	-	(118,310,053)
Total accumulated depreciation	(155,970,739)	(5,075,689)	7,659	-	(161,038,769)
Total capital assets being depreciated, net	31,220,921	(4,256,134)	-	118,151	27,082,938
Governmental activities capital assets, net	$ 39,247,338	$ (3,384,777)	$ -	$ -	$ 35,862,561
Business-type Activities					
Capital assets, not being depreciated					
Land	$ 100,255	$ -	$ -	$ -	$ 100,255
Construction in progress	433,785	11,632,408	-	(244,816)	11,821,377
Total assets not being depreciated	534,040	11,632,408	-	(244,816)	11,921,632
Capital assets, being depreciated					
Buildings and improvements	601,657	73,620	-	-	675,277
Equipment	3,997,818	11,402	-	-	4,009,220
Utility distributions	84,313,575	345,481	-	244,816	84,903,872
Total capital assets being depreciated	88,913,050	430,503	-	244,816	89,588,369
Less accumulated depreciation					
Buildings and improvements	(537,863)	(9,007)	-	-	(546,870)
Equipment	(3,386,040)	(223,186)	-	-	(3,609,226)
Utility distributions	(35,826,878)	(1,880,247)	-	-	(37,707,125)
Total accumulated depreciation	(39,750,781)	(2,112,440)	-	-	(41,863,221)
Total capital assets being depreciated, net	49,162,269	(1,681,937)	-	244,816	47,725,148
Business-type activities capital assets, net	$ 49,696,309	$ 9,950,471	$ -	$ -	$ 59,646,780

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities		
General government	$	107,178
Community services		77,953
Public services		2,357,894
Public safety		1,366,078
Leisure services		1,089,051
Administrative services		77,535
Total depreciation expense – governmental activities	$	5,075,689
Business-type Activities		
Water and sewer	$	1,786,923
Stormwater collection and disposal		325,517
Total depreciation expense – business-type activities	$	2,112,440

Note 8. Long-term Liabilities

The following is a summary of the long-term liabilities of the City for the year ended September 30, 2018:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One-Year
Governmental Activities					
General/Contractual obligation bonds/Tax notes	$ 22,180,000	$ 57,540,000	$ (6,755,000)	$ 72,965,000	$ 4,465,000
Premium on debt	629,719	2,667,427	(156,473)	3,140,673	289,844
Capital lease	370,255	462,030	(314,575)	517,710	252,422
Compensated absences	3,639,736	2,540,698	(2,315,273)	3,865,161	1,288,387
Net pension liability	11,706,803	-	(1,144,527)	10,562,276	-
Other post-employment benefits	2,390,019	208,910	-	2,598,929	-
Governmental activities long-term liabilities	$ 40,916,532	$ 63,419,065	$ (10,685,848)	$ 93,649,749	$ 6,295,653
Business-type Activities					
Certificates of obligation	$ 43,120,000	$ 26,380,000	(4,890,000)	$ 64,610,000	$ 2,130,000
Premiums on debt	90,837	478,675	(10,891)	558,621	52,806
Compensated absences	253,047	238,050	(238,239)	252,858	84,286
Net pension liability	1,300,756	-	(127,169)	1,173,587	-
Other post-employment benefits	4,789	419	-	5,208	-
Business-type activities long-term liabilities	$ 44,769,429	$ 27,097,144	$ (5,266,299)	$ 66,600,274	$ 2,267,092

In November 2017, the City issued $20,000,000 of Combination Tax and Surplus Revenue Certificate of Obligation, Series 2017 for the purpose of improving and extending the City's waterworks system. The obligations are payable over the next 30 years bearing interest rates of 0.69-3.02%.

In April 2018, the City issued $63,920,000 General Obligation Refunding and Improvement Bonds, Series 2018 with a premium of $3,146,103, for the purpose of redeeming the 2007 Series Certificates of Obligations and constructing, improving, renovating and equipping park and recreation facilities. The bonds are payable over the next 30 years bearing interest rates of 3.125-5.0%.

Proceeds from the sale were placed in an irrevocable trust that is to be used to service the future debt requirements of the refunded debt. The advance refunding was undertaken to reduce the total debt service payments by $3,321,624 and resulted in an economic gain of $294,240. An accounting loss of $28,312, which will be deferred and amortized, was recognized on this advanced refunding. The refunded bonds are considered legally defeased and the liability for the refunded bonds has been removed from the long-term debt. As of September 30, 2018, the amount of the defeased debt outstanding, but removed from long-term debts was $2,455,000.

Governmental long-term debt consists of the following individual issues at September 30, 2018:

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
Series 2005 General Obligation Refunding Bonds	28,600,000	3.25% – 5.0%	$ 740,000
Series 2007 General Obligation Bonds	4,000,000	3.875% – 5.0%	-
Series 2010 General Obligation Bonds	4,885,000	2.0% – 5.0%	3,555,000
Series 2011 General Obligation Refunding and Improvement Bonds	8,185,000	2.0% – 4.375%	1,670,000
Series 2013 General Obligation Refunding and Improvement Bonds	5,375,000	2.0% – 4.0%	3,360,000
Series 2014 General Obligation Bonds	3,200,000	2.0% – 4.0%	2,750,000
Series 2018 General Obligation Bonds	57,540,000	3.125% - 5.0%	57,540,000
Certificates of Obligation			
Series 2011 General Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	1,245,000
Contractual Obligations			
Series 2014 Public Property Finance Contractual Obligations	2,300,000	1.0% – 2.5%	1,435,000
Tax Notes			
Series 2016 Tax Notes	1,105,000	1.30%	670,000
Total General Obligation, Certificates of Obligation Contractual Bonds, and Tax Notes			$ 72,965,000

Business-type long-term debt consists of the following individual issues at September 30, 2018:

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
Series 2011 General Obligation Refunding and Improvement Bonds	$ 8,185,000	2.0% – 4.375%	$ 2,380,000
Series 2018 General Obligation Refunding and Improvement Bonds	$ 6,380,000	3.125% - 5.0%	$ 6,380,000
Certificates of Obligation			
Series 2010 Certificates of Obligation	2,035,000	3.0% – 4.125%	1,485,000
Series 2011 Combination Tax and Revenue Certificates of Obligation	6,590,000	2.0% – 4.375%	2,995,000
Series 2012 Combination Tax and Revenue Certificates of Obligation	630,000	0.09% – 1.4%	450,000
Series 2012A Combination Tax and Revenue Certificates of Obligation	4,270,000	1.0% – 2.75%	3,225,000
Series 2015 Combination Tax and Revenue Certificates of Obligation	30,000,000	0.22% – 3.210%	28,095,000
Series 2017 Combination Tax and Revenue Certificates of Obligation	20,000,000	0.69% - 3.0%	19,600,000
Total General Obligation and Certificates of Obligation			$ 64,610,000

The City entered into a capital lease agreement in November 2017 and December 2017 for the purchase of police motorcycles and telecommunication. The leased property under capital lease is classified as equipment with the total capitalized cost of $462,030 and an amortized value of approximately $369,623 at September 30, 2018.

Capital leases entered into prior to fiscal year 2018 totaled $868,102, is classified as equipment, and has an amortized value of approximately $180,433 at September 30, 2018.

Capital lease amortization expense has been included in depreciation expense for the year ended September 30, 2018.

The annual debt service requirement to amortize the bonds, certificates of obligation and capital lease obligations outstanding at September 30, 2018, are as follows:

Governmental Activities:

Year Ending September 30,	Bonded Debt Obligations	Capital Lease	Interest	Total
2019	$ 4,465,000	$ 252,422	$ 3,369,887	$ 8,087,309
2020	3,530,000	220,799	2,593,652	6,344,451
2021	3,660,000	44,489	2,459,599	6,164,088
2022	3,650,000	-	2,315,389	5,965,389
2023	3,290,000	-	2,168,591	5,458,591
2024-2028	16,670,000	-	8,588,485	25,258,485
2029-2033	18,585,000	-	4,829,178	23,414,178
2034-2038	19,115,000	-	1,693,853	20,808,853
	$ 72,965,000	$ 517,710	$ 28,018,634	$ 101,501,344

Business-type Activities:

Year Ending September 30,	Debt Obligations	Interest	Total
2019	$ 2,130,000	$ 1,886,124	$ 4,016,124
2020	2,270,000	1,767,716	4,037,716
2021	2,340,000	1,718,646	4,058,646
2022	2,430,000	1,664,529	4,094,529
2023	2,490,000	1,603,916	4,093,916
2024-2028	13,310,000	6,941,775	20,251,775
2029-2033	11,750,000	5,134,757	16,884,757
2034-2038	10,510,000	3,632,021	14,142,021
2039-2043	10,710,000	2,050,532	12,760,532
2044-2047	6,670,000	425,598	7,095,598
	$ 64,610,000	$ 26,825,614	$ 91,435,614

Note 9. Retirement Plan

A. Plan Description

The City participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5 years
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	0%
Annuity increase (to retirees)	0% of CPI

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	128
Active employees	339
Total	522

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City are required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 8.94% and 9.01% in calendar years 2017 and 2018, respectively. The city's contributions to TMRS for the year ended September 30, 2018, were $2,035,140, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:
The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.00% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality 16 rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2017, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2017	$ 30,699,769	$ 17,692,210	$ 13,007,559
Changes for the year			
Service cost	2,703,744	-	2,703,744
Interest on total pension liability	2,139,669	-	2,139,669
Effect of difference in expected and actual experience	(246,817)	-	(246,817)
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(705,692)	(705,692)	-
Administrative expenses	-	(12,708)	12,708
Employer contributions	-	1,919,893	(1,919,893)
Net investment income	-	2,458,477	(2,458,477)
Employee contributions	-	1,503,273	(1,503,273)
Other	-	(643)	643
Net changes	3,890,904	5,162,600	(1,271,696)
Balances at September 30, 2018	$ 34,590,673	$ 22,854,810	$ 11,735,863

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Single Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability	$ 16,653,371	$ 11,735,863	$ 7,574,110

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the City recognized pension expense of $2,077,711.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (518,032)
Difference in assumptions changes	450,652	-
Difference between projected and actual earnings on pension plan investments	-	(678,319)
Contributions subsequent to the measurement date	1,556,477	-
Total	$ 2,007,129	$ (1,196,351)

$1,556,477 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2018.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2018	$ (81,558)
2019	(104,957)
2020	(260,837)
2021	(260,147)
2022	(5,145)
Thereafter	(33,055)
Total	$ (745,699)

Note 10. Post-employment Health Care Plan

A. Plan Description and Funding Policy

The City provides post-employment medical care (OPEB) for employees through a single-employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City's group health insurance plans, which cover both active and retired members. The benefit levels and contribution rates are approved annually by the City management and the City Council as part of the budget process. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Starting January 1, 2010, the City began requiring participants who are active employees with less than 20 years of service or 60 years or more of age with less than 5 years of service to contribute an age-based full-cost premium if they choose to remain on the City's health care plan upon retirement. In return, the City will make scheduled annual contributions into a retiree health savings plan in the name of each eligible employee who has 10 years of service or more. Employees are 50% vested at 20 years of service and 100% vested at 30 years of service.

Retiring employees will pay either age-based or blended premiums depending on their status as "grandfathered" or "non-grandfathered." Blended premiums blend the cost of providing health coverage to both active employees and retirees, and will be based on the total employer/employee premium for the health plan as a whole, and will be determined annually during the budget process.

B. Grandfathered Employees and Non-Grandfathered Employees

As of January 1, 2010, employees that have 20 years of continuous service with the City or employees having 5 years of continuous service and have reached the age of 60 will be eligible to purchase City health benefits at blended rates upon the date of their retirement if they are less than age 65. Employees who meet the requirements to stay on the plan will continue to pay both employee and employer required contributions for the retiree health plan chosen for themselves and eligible dependents. Employer and employee required contributions are detemiined annually by plan as part of the City's annual budget. If the spouse or eligible dependents are on the plan at the time of the employee's retirement, they can remain on the plan, until which time they are no longer eligible.

Employees who do not meet the eligibility requirements to stay on the plan will pay age-based premiums for the retiree health plan chosen for themselves and eligible dependents. These employees will participate in the City's retiree health savings plan.

C. Benefits Provided

The City provides post-employment medical and dental care benefits to its retirees. Retirees who elect COBRA cannot later elect retiree coverage. To be eligible for coverage an employee must qualify under all three of the following:

- The retiree must have been covered for medical benefits under the City health plan as an employee immediately prior to termination of employment.
- Apply for pension benefits from TMRS in accordance with their requirements and deadlines, but in no event later than 90 days from termination of employment.
- Enroll for retiree health coverage within 30 days of the date of termination. Annual Funding Policy

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	-
Active employees	23
Total	45

D. Policy Information

Retiree Health Plan Benefit Eligibility
To be eligible for retiree health benefits, employees must meet the following criteria:

- Any employee who is covered under the City's health plan at the effective date of (the employee's) retirement, who is less than age 65, and who meets the "retiree" definition (as described below) may elect to continue health insurance coverage under the plan.
- Employees who are eligible and elect to stay on the plan will be required to begin paying monthly premiums immediately upon retirement.
- Employees eligible for retiree health insurance may also continue coverage for any dependents following the employee's retirement, provided the dependents were covered under the employee's health insurance as of the effective date of the employee's retirement and the appropriate enrollment forms are completed within 30 days of retirement. Anyone electing this coverage must meet all of the eligibility rules of the plan.

NOTE: When a covered retiree's spouse is employed at the time the City of Bedford employee retires, an exception to this policy may be made. The spouse may elect coverage under the City's health plan if the spouse's employment ends or the spouse's employer discontinues coverage.

- Dependents who are covered under the retiree's health insurance at the time of the retiree's death may continue coverage as follows: (a) the spouse may continue coverage following the death of the retiree until such time as the spouse remarries, dies or reaches age 65 (b) any other eligible dependent(s), as defined by the City's self-funded plan, may continue to be covered under retiree health insurance as long as all eligibility requirements of the City's plan are met.

Retiree Health Plan Benefit Coverage

Retirees are able to maintain retiree coverage through the City until they reach age 65 (see section below). Retirees cannot drop the City's plan and re-elect retiree benefits at a later date unless they become re-employed by the City. If this is the case, they must re-enroll into the City's retiree insurance program within 30 days of the termination from the City's re-employment.

- Retirees are able to choose from and elect the same plans offered to active employees during open enrollment each year until they reach age 65.
- Retirees who decide to elect the City's retiree health benefits will pay either age based on blended premiums depending on their status as "grandfathered" or "non-grandfathered."
- Blended premiums blend the cost of providing health coverage to both active employees and retirees, will be based on the total employer/employee premium for the health plan as a whole, and will be determined annually during the budget process.

Retirees Age 65 or Older
Effective January 1, 2010, retirees who are Medicare eligible or age 65 or older will have access to a more cost effective and comparable Medicare Supplement or Medicare Advantage Plan and will no longer have access to the City's health plan. Retirees will continue to have access to the City's dental plan.

- Retirees who choose to obtain coverage elsewhere may later elect one of the City's Medicare Supplement or Medicare Advantage plans when they become eligible for Medicare.
- Retirees' dependents who are under 65 years of age will be able to maintain coverage through the City's health plan. Once a dependent reaches age 65, the dependent will no longer be able to access the City's health plan, but will be able to select either the Medicare Supplement or Medicare Advantage Plan which is less expensive than the current retiree premiums and is comparable to or offers a richer benefit than the City's health plan.
- If the employee is 65 years of age or older, but is not Medicare eligible, the City will evaluate the cost of Medicare Part A premiums each year and determine whether the City will reimburse the employee for the purchase of Medicare Part A (on behalf of the retiree or whether to allow the retiree to pay the premium to stay on the City's health plan). Retirees in this situation will be notified of this determination at the end of each year for the following plan year.

E. Applicability

This policy applies to all regular full-time employees.

F. Definitions

Retiree — is defined as an employee who has effected retirement with the City and is eligible to retire according to the City's pension plan guidelines.

G. Policy Authority

The City Council authorizes this policy. The City's management team and Human Resources are responsible for interpreting and enforcing this policy.

H. Implementation Procedures

Employees eligible for retiree health insurance will be given written notification from Human Resources explaining their eligibility to elect retiree health insurance, the applicable premium rates for the type of coverage(s) they are eligible to continue and the procedures the employee must follow in order to elect retiree health insurance. They will also be given an election form on which to make their health insurance elections.

Employees eligible for retiree health insurance must complete the retiree health insurance election foul' and remit the appropriate premium payment as outlined in the retiree medical information packet within 30 days following the effective date of the employee's retirement; otherwise, the retiree will automatically forfeit his/her right to continue health insurance under this policy, except as provided by federal law.

Retirees who are not age 65 and who are eligible for and elect retiree coverage through the City will receive notification from the City's Human Resources Department of the discontinuation of their retiree coverage along with enrollment information for the Medicare Supplement and Medicare Advantage plans upon turning age 65.

Termination of Retiree Health Plan Coverage

Retiree health insurance will automatically terminate for the retiree and/or covered dependents upon the earliest of the following occurrences:

- The City ceases to provide group health insurance.
- Retiree/retiree's dependent(s) fail to remit the monthly premium payment to the City's Human Resources Department by the last day of each month.
- The retiree returns to active employment status with the City and becomes covered under a City sponsored health plan.
- Dependent(s) of the retiree cease to meet the eligibility requirements of the City's medical plan.

I. Net OPEB Liability

Valuation of Assets
For purposes of calculating the Total OPEB Liability, the plan is considered to be unfunded and therefor no assets are accumulated for OPEB.

Actuarial Assumptions
The OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.50% to 10.50% including inflation
Discount rate	3.31%
Retirees share of benefit-related costs	$0

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2017, actuarial valuation, the Projected Unit Credit Cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 9.0% initially, reduced by decrements to an ultimate rate of 4.5% after a number of years. Both rates include a 3.0% inflation assumption. The actuarial value of the plan's assets was set equal to the reported market value of assets. The assets are allocated among the divisions based on liabilities valued at 4.5%. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2017, was 25 years.

Discount Rate
Because the Retiree Healthcare Plan is considered an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB Liability is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

Changes in the OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2016	$ 2,429,063	$ 34,254	$ 2,394,809
Changes for the year:			
Service cost	28,394	-	28,394
Interest	91,716	-	91,716
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	164,339	-	164,339
Contributions - employer	-	72,029	(72,029)
Net investment income	-	3,092	(3,092)
Benefit payments	(72,029)	(72,029)	-
Administrative expense	-	-	-
Net changes	212,420	3,092	209,328
Balance at December 31, 2017	$ 2,641,483	$ 37,346	$ 2,604,137

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.31%) or one-percentage-higher (4.31%) than the current rate:

	1% Decrease (2.31%)	Current Discount Rate (3.31%)	1% Increase (4.31%)
Total OPEB liability	$ 2,985,593	$ 2,604,137	$2,290,432

Sensitivity of the OPEB Liability to Healthcare Cost Trends

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB liability	$ 2,273,699	$ 2,604,137	$3,005,158

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended September 30, 2018, the City recognized OPEB expense of $186,908.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (692)
Changes in assumptions and other inputs	95,141	-
Contributions made subsequent to measurement date	65,228	-
Total	$ 160,369	$ (692)

$65,228 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Years Ending September 30,	Net Deferred Outfows (Inflows) of Resources
2019	$ 69,025
2020	25,770
2021	(173)
2022	(173)
2023	-
Thereafter	-
Total	$ 94,449

Note 11. Tax Abatements and Economic Incentive Agreements

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of Bedford. This program rebates property and sales and use taxes and is authorized under Chapter 380 of the Texas Local Government Code. The various agreements are detailed below that rebate a percentage of property and/or sales & use taxes.

Agreements for rebate of property taxes generally call for rebates of taxes on incremental values for usually up to 10 years. The agreements for sales and use taxes provides for a rebate of 50% to 100% of the City 2% taxes on incremental values for usually up to 10 years, with the maximum being 12 years. For fiscal year 2018, the City rebated property taxes of $50,925, or 0.3% of the total levy of $18.8 million. Sales and use taxes rebated totaled $202,996 or 2.5% of the General Fund collections of $8.2 million.

Retail Development Agreements
In order to promote economic development and diversity, increase employment, reduce unemployment and underemployment, expand commerce, and stimulate business and commercial activity in the State of Texas, Tarrant County, and the City of Bedford, Texas, the City, agreed to pay

sales tax grants to certain developers. These grants require the construction or improvement of a minimum square feet of retail space and obtaining certificates of occupancy for certain major retailers within a specified time period, all of which have been met during the 2018 fiscal year.

An agreement was executed in August 2010. This agreement includes a rebate of 50% of the City's incremental property taxes on improvements for 10 years. The max payout per the agreement is $290,000. The City recorded a liability for the $4,381 incurred in the current year of the agreement. The City paid $4,381 during the current year of the grant.

An agreement was executed in January 2016. The agreement includes a rebate of 50% of the City's sales tax of 2% for a period of five years. The City recorded a liability for the $11,610 incurred in the current year of the agreement.

An agreement was executed in January 2016. The agreement includes a rebate of 75% of the City's sales tax of 2% for a period of ten years. The City recorded a liability for the $51,437 incurred in the current year of the agreement.

An agreement was executed in November 2012. The agreement includes a rebate of 100% of the City's sales tax of 1% and 100% of the City's incremental property tax for a period of ten years. The City recorded a liability for the $48,048 incurred in the current year of the agreement.

An agreement was executed in March 2013. The agreement includes a rebate of 50% of the City's sales tax of 2% for a period of seven years. The City recorded a liability for the $25,738 incurred in the current year of the agreement.

An agreement was executed in January 2013. The agreement includes rebates of 100% (years 1-3), 80% (years 4-7) and 50% (years 8-10) of the City's sales tax of 2% and 100% of the incremental property taxes on improvements for a period of ten years. The City recorded a liability for the $20,122 incurred in the current year of the agreement. The City paid $20,420 during the current year of the grant.

An agreement was executed in April 2014. The agreement includes a rebate of 50% of the City's sales tax of 2% and 100% of the City's incremental property tax for a period of six years. The City recorded a liability for the $22,049 incurred in the current year of the agreement. The City paid $21,443 during the current year of the grant.

An agreement was executed in December 2014. The agreement includes a rebate of 80% (years 1-3), 60% (years 4-7) and 40% (years 8-10) of the City's sales tax of 1% and 80% of the City's incremental property tax for a period of ten years. The City recorded a liability for the $70,536 incurred in the current year of the agreement.

An agreement was executed in December 2016. The agreement includes a rebate of 25% of the City's sales tax of 2% for a period of twelve years. The City recorded a liability for the $6,218 incurred in the current year of the agreement.

Note 12. Commitments and Contingencies

A. Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Risk Pool) to provide insurance for workers' compensation benefits, liability and property coverage.

At September 30, 2018, the Risk Pool was self-sustaining based on premiums charged, so that total contributions plus compounded earnings on these contributions will be sufficient to satisfy claims and liabilities and other expenses. Premiums are assessed based on the rates set by the Texas State Board of Insurance and may be adjusted, on an annual basis, by the Risk Pool's Board of Trustees for each participating political subdivision's experience. The City is not liable for payments beyond the annual contributions.

The Risk Pool has purchased stop-loss coverage to protect the assets of the pool from catastrophic losses. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years, and there have been no significant reductions in insurance coverage during the current year.

B. Trinity River Authority of Texas

In 1972, the City entered into a contract with the Trinity River Authority (TRA) for the purchase of water. The contract shall remain in effect until all bonds, including refunding bonds, have been paid.

Under the terms of the contract, the City is obligated to pay its proportional share of operating and maintenance expenses and debt service charges by the TRA based on the ratio of estimated water usage for the ensuing year to the total estimated water usage. Total purchases during fiscal year 2018 were $9,089,132.

In 1973, the City entered into a 50-year contract with the TRA for the transportation, treatment, and disposal of sanitary sewage actually discharged and to share in the cost of operation and maintenance of the system. Total payments of $4,039,420 were made in fiscal year 2018. Additionally, $378,444 was spent with the City of Hurst for the transportation, treatment and disposal of sanitary sewage as well.

C. Litigation

Various claims and lawsuits are pending against the City. In the opinion of the City's legal counsel and management, the potential loss on all claims after insurance will not be significant to the City's financial statements.

D. State and Federal Programs

The City has received federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. In the opinion of management of the City, disallowed costs, if any, should not be material.

Note 13. Cumulative Effect of Change in Accounting Principle

As a result if the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions", and adjustment has been made to record the City's net OPEB liability as of October 1, 2016. As a result, beginning net position of the governmental activities has been decreased by $1,559,303 and business-type activities has been decreased by $10,903.

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Required Supplementary Information

City of Bedford, Texas

Schedule of Changes in the City's Net Pension Liability and Related Ratios
Texas Municipal Retirement System
Last Four Fiscal Years

	2018	2017	2016	2015
TOTAL PENSION LIABILITY				
Service cost	2,703,744	2,676,451	$ 2,515,193	$ 1,588,982
Interest (on the Total Pension Liability)	2,139,669	1,866,228	1,643,314	1,439,551
Changes of benefit terms	-	-	-	1,308,563
Changes in assumptions	-	-	711,649	-
Difference between expected and actual experience	(246,817)	77,844	(368,820)	(233,110)
Benefit payments, including refunds of employee contributions	(705,692)	(460,701)	(359,420)	(335,835)
Net change in total pension liability	3,890,904	4,159,822	4,141,916	3,768,151
Total pension liability - beginning	30,699,769	26,539,947	22,398,031	18,629,880
Total pension liability - ending (a)	34,590,673	30,699,769	26,539,947	22,398,031
PLAN FIDICIARY NET POSITION				
Contributions - employer	1,919,893	1,705,987	1,611,071	1,032,810
Contributions - employee	1,503,273	1,489,019	1,387,526	972,517
Net investment income	2,458,477	949,763	16,795	525,939
Benefit payments, including refunds of employee contributions	(705,692)	(460,701)	(359,420)	(335,835)
Administrative expense	(12,708)	(10,700)	(10,223)	(5,486)
Other	(643)	(577)	(505)	(451)
Net change in plan fiduciary net position	5,162,600	3,672,791	2,645,244	2,189,494
Plan fiduciary net position - beginning	17,692,210	14,019,419	11,374,175	9,184,681
Plan fiduciary net position - ending (b)	22,854,810	17,692,210	14,019,419	11,374,175
NET PENSION LIABILITY - ending (a) - (b)	$ 11,735,863	$ 13,007,559	$ 12,520,528	$ 11,023,856
Plan fiduciary net position as a percentage of total pension liability	66.07%	57.63%	52.82%	50.78%
Covered payroll	$ 21,475,333	$ 21,258,547	$ 21,351,384	$ 19,450,346
City's net pension liability as a percentage of covered payroll	54.65%	61.19%	58.64%	56.68%

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

See Notes to the Required Supplementary Information

City of Bedford, Texas
Schedule of City Contributions
Texas Municipal Retirement System
Last Four Fiscal Years

	2018	2017	2016	2015
Actuarially determined contribution	$ 2,035,140	$ 1,924,529	$ 1,680,982	$ 1,399,303
Contributions in relation to the actuarially determined contribution	2,035,140	1,924,529	1,680,982	1,399,303
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 21,475,333	$ 22,147,313	$ 22,649,265	$ 23,602,275
Contributions as a percentage of covered payroll	9.48%	8.69%	7.42%	5.93%

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 68, only periods for which such information is available are presented.

See Notes to the Schedule of City Contributions

City of Bedford, Texas

Notes to the Schedule of City Contributions
Last Four Fiscal Years

Valuation Date: December 31, 2017
Actuarial determined contribution rates are calculated as of December 31st, each year and become effective in January, 13 months and a day later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	28 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 – 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:
There were no benefit changes during the year.

City of Bedford, Texas

Schedule of Changes in the City's Other Post-Employment Benefits Liabilities and Related Ratios – Retiree Healthcare Plan
Last Fiscal Year

	Year Ended December 31 2017
Total OPEB liability	
Service cost	$ 28,394
Interest	91,716
Changes of benefit terms	-
Difference between expected and actual experience	-
Change in assumptions	164,339
Employer contributions	(72,029)
Net investment income	(3,092)
Benefit payments	-
Net changes	209,328
Total OPEB liability - beginning	2,394,809
Total OPEB liability - ending	$ 2,604,137
Covered employee payroll	$ 1,995,448
Total OPEB liability as a percentage of covered employee payroll	130.50%

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

City of Bedford, Texas
Schedule of Contributions – Retiree Healthcare Plan
Last Fiscal Years

Actuarially determined contribution	$	-
Contributions in relation to the actuarially determined contribution		-
Contribution deficiency (excess)	$	-
Covered payroll	$	1,995,448
Contributions as a percentage of covered payroll		0.00%

See Notes to the Schedule of City Contributions – Retiree Health Care Plan

City of Bedford, Texas

Notes to the Schedule of Contributions – Retiree Healthcare Plan
Last Fiscal Years

Valuation Date: December 31, 2017

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Discount Rate	3.31%
Retirees' share of benefit-related cost	$0
Administrative expenses	All administratvie expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates - disabled retirees	PR2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

City of Bedford, Texas

Budgetary Comparison Schedule General Fund
Year Ended September 30, 2018

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Taxes, penalty and interest	$ 24,458,506	$ 24,458,506	$ 24,951,068	$ 492,562
Licenses, permits, and fees	816,750	816,750	1,004,797	188,047
Charges for services	3,440,580	3,440,580	3,314,391	(126,189)
Fines and forfeits	1,838,000	1,838,000	1,613,738	(224,262)
Support from other governmental entities	280,490	280,490	242,256	(38,234)
Interest	42,850	42,850	225,030	182,180
Miscellaneous	68,400	68,400	131,265	62,865
Total revenues	30,945,576	30,945,576	31,482,545	536,969
EXPENDITURES				
General government				
City Council	259,695	259,695	136,615	123,080
City Manager	682,547	682,547	757,729	(75,182)
City Secretary	299,393	299,393	289,006	10,387
Information systems	775,689	775,689	784,328	(8,639)
Human Resources	501,120	501,120	420,031	81,089
Total general government	2,518,444	2,518,444	2,387,709	130,735
Community services				
Economic development	736,235	736,235	650,354	85,881
Planning and zoning	385,141	385,141	371,161	13,980
Total community services	1,121,376	1,121,376	1,021,515	99,861
Public services				
Facilities maintenance	763,684	763,684	740,259	23,425
Maintenance services	416,939	416,939	451,234	(34,295)
Streets	1,021,262	1,021,262	749,953	271,309
Total public services	2,201,885	2,201,885	1,941,446	260,439
Administrative services				
Finance	568,449	568,449	547,762	20,687
Nondepartmental	1,140,524	1,140,524	1,344,916	(204,392)
Municipal court	682,560	682,560	671,558	11,002
Teen court	179,235	179,235	135,752	43,483
Total administrative services	2,570,768	2,570,768	2,699,988	(129,220)

See Notes to the Required Supplementary Information

City of Bedford, Texas

Budgetary Comparison Schedule General Fund – Continued
Year Ended September 30, 2018

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
EXPENDITURES				
Public safety				
Administration	913,426	913,426	924,622	(11,196)
Animal control	407,404	407,404	394,313	13,091
Criminal investigation division	1,756,718	1,756,718	1,816,654	(59,936)
Community services	938,073	938,073	974,955	(36,882)
Code compliance	494,226	494,226	401,738	92,488
SWAT	16,040	16,040	-	16,040
Patrol	4,645,808	4,645,808	4,886,630	(240,822)
Traffic	879,021	879,021	595,725	283,296
Dispatch	852,247	852,247	779,810	72,437
Jail	879,927	879,927	765,258	114,669
Records	452,580	452,580	414,184	38,396
Repeat victimization unit	323,320	323,320	330,068	(6,748)
Fire operations	7,706,175	7,706,175	7,942,902	(236,727)
Total public safety	20,264,965	20,264,965	20,226,859	38,106
Leisure services				
Library	1,551,674	1,551,674	1,530,169	21,505
Parks	1,399,609	1,399,609	1,391,564	8,045
Recreation	630,922	630,922	584,400	46,522
Senior citizens	424,630	424,630	268,201	156,429
Splash	284,058	284,058	370,825	(86,767)
Total leisure services	4,290,893	4,290,893	4,145,159	145,734
Capital outlay	86,400	86,400	520,803	(434,403)
Debt service	531,768	531,768	328,759	203,009
Total expenditures	33,586,499	33,586,499	33,272,238	314,261
Excess (deficiency) of revenues over expenditures	(2,640,923)	(2,640,923)	(1,789,693)	851,230
OTHER FINANCING SOURCES (USES)				
Transfers in	2,968,635	2,968,635	2,960,634	(8,001)
Transfer out	-	-	(15,000)	(15,000)
Proceeds from capital leases	-	-	462,030	462,030
Proceeds from sale of capital asset	5,000	5,000	4,733	(267)
Insurance proceeds	15,000	15,000	85,318	70,318
Total other financing sources (uses)	2,988,635	2,988,635	3,497,715	509,080
Net change in fund balance	347,712	347,712	1,708,022	1,360,310
FUND BALANCE, beginning of year, restated	11,939,526	11,939,526	11,939,526	-
FUND BALANCE, end of year	$ 12,287,238	$ 12,287,238	$ 13,647,548	$ 1,360,310

See Notes to the Required Supplementary Information

City of Bedford, Texas

Budgetary Comparison Schedule
Economic Development 4B Fund
Year Ended September 30, 2018

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Taxes, penalty and interest	$ 2,637,500	$ 2,637,500	$ 2,773,735	$ 136,235
Interest	8,000	8,000	54,584	46,584
Total revenues	2,645,500	2,645,500	2,828,319	182,819
EXPENDITURES				
Current				
Public services	2,192,110	2,192,110	1,384,748	807,362
Capital outlay	1,590,000	1,590,000	203,625	1,386,375
Debt Service	13,731	13,731	-	13,731
Total expenditures	3,795,841	3,795,841	1,588,373	2,207,468
Excess (deficiency) of revenues over expenditures	(1,150,341)	(1,150,341)	1,239,946	2,390,287
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	41,478	41,478
Transfers out	(1,390,475)	(1,390,475)	(1,390,747)	(272)
Insurance proceeds	-	-	-	-
Total other financing sources (uses)	(1,390,475)	(1,390,475)	(1,349,269)	41,206
Net changes in fund balance	(2,540,816)	(2,540,816)	(109,323)	2,431,493
FUND BALANCE, beginning of year	3,790,264	3,790,264	3,790,264	-
FUND BALANCE, end of year	$ 1,249,448	$ 1,249,448	$ 3,680,941	$ 2,431,493

See Notes to the Required Supplementary Information

Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted for the General, Debt Service, Court Security, Court Technology, Drug Forfeiture, Tourism Development, Park Donation, Bedford Beautification, Economic Development, Red Light Cameras and Public Safety Training funds using the modified accrual basis of accounting.

The City Council follows these procedures in establishing budgetary data reflected in the financial statements:

- Prior to August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to September 30, the budget is legally enacted through passage of an ordinance.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council after public hearings.
- All unexpended appropriations lapse at year-end.

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Combining Fund Statements and Schedules

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City of Bedford, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2018

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds – are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The City's nonmajor special revenue funds are as follows:

Miscellaneous Donations Fund – This fund is used to account for miscellaneous designated contributions from citizens and other governments.

Court Security Fund – This fund accounts for monies collected under state statute designated to provide security for the Municipal Court facilities.

Court Technology Fund – This fund is used for monies collected under state statute designed to provide increased technology for the Municipal Court facilities.

Park Donation Fund – This fund is used for contributions from citizens designated for park improvements.

Drug Forfeiture Fund – This fund accounts for monies received from participation in federal drug enforcement activities.

Bedford Beautification Fund – This fund accounts for revenue and expenditures related to various citywide beautification programs proposed by the City's Beautification Commission.

Public Safety Training Fund – This fund accounts for funds received from state surplus to be used for police training.

Tourism Development Fund – This fund accounts for hotel/motel taxes received.

Red Light Cameras Fund – This fund accounts for revenues generated from red light camera fines.

NETCO/Motorola Rebanding Fund – This fund accounts for the City's portion of proceeds received from Motorola for Northeast Tarrant County Trunked Radio Consortium (NETCO). Resolution No. 07-53.

Various Grants Fund – This fund accounts for revenues and expenditures from multiple grants, the majority of which pertain to energy conservation.

Capital Projects Funds

Capital Projects Funds – are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Street and Drainage Fund – to account for construction projects funded by developer agreements and assessments.

City of Bedford, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds					
	Miscellaneous Donation	Court Security	Court Technology	Park Donation	Drug Forfeiture	Bedford Beautification
ASSETS						
Cash and cash equivalents	$ 65,942	$ 1,511	$ 95,286	$ 80,922	$ 85,109	$ 57,685
Investments	-	-	-	-	-	-
Receivables						
Accounts	120	-	-	571	1,595	-
Other	-	-	-	-	-	-
Total assets	$ 66,062	$ 1,511	$ 95,286	$ 81,493	$ 86,704	$ 57,685
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts and contract payable	$ 3,327	$ -	$ 3,704	$ -	$ -	$ 188
Due to other funds	-	-	-	-	-	-
Total liabilities	3,327	-	3,704	-	-	188
Deferred inflows of resources						
Unavailable revenue	-	-	-	-	-	-
Fund Balances - Restricted for						
Street and drainage improvements	-	-	-	-	-	-
Public safety	-	1,511	91,582	-	86,704	-
Parks and beautification	-	-	-	81,493	-	57,497
Economic development	-	-	-	-	-	-
Other	62,735	-	-	-	-	-
Total fund balances	62,735	1,511	91,582	81,493	86,704	57,497
TOTAL LIABILITIES, DEFERRED INFLOWS, OF RESOURCES AND FUND BALANCES	$ 66,062	$ 1,511	$ 95,286	$ 81,493	$ 86,704	$ 57,685

Special Revenue Funds						Capital Projects Fund	Total
Public Safety Training	Tourism Development	Red Light Cameras	NETCO/ Motorola Rebanding	SWAT Netcast	Various Grants	Street and Drainage	Nonmajor Governmental Funds
$ 19,671	$ 329,059	$ 6,236	$ 3,876	$ 8,291	$ -	$ 869,248	$ 1,622,836
-	252,801	-	-	-	-	1,519,701	1,772,502
-	84,426	12,152	-	-	45,288	1,751	145,903
-	-	-	-	-	-	241,340	241,340
$ 19,671	$ 666,286	$ 18,388	$ 3,876	$ 8,291	$ 45,288	$ 2,632,040	$ 3,782,581
$ -	$ 122,840	$ 10,033	$ -	$ 3,284	$ 5,969	$ -	$ 149,345
-	-	-	-	-	39,319	-	39,319
-	122,840	10,033	-	3,284	45,288	-	188,664
-	-	-	-	-	-	241,340	241,340
-	-	-	-	-	-	2,390,700	2,390,700
19,671	-	8,355	-	5,007	-	-	212,830
-	-	-	-	-	-	-	138,990
-	543,446	-	-	-	-	-	543,446
-	-	-	3,876	-	-	-	66,611
19,671	543,446	8,355	3,876	5,007	-	2,390,700	3,352,577
$ 19,671	$ 666,286	$ 18,388	$ 3,876	$ 8,291	$ 45,288	$ 2,632,040	$ 3,782,581

City of Bedford, Texas

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2018

	Special Revenue Funds					
	Miscellaneous Donation	Court Security	Court Technology	Park Donation	Drug Forfeiture	Bedford Beautification
REVENUES						
Taxes, penalty and interest	$ -	$ -	$ -	$ -	$ -	$ -
Charges for service	-	-	-	-	-	-
Fines and forfeitures	-	32,523	43,353	-	-	-
Support from governmental entities	-	-	-	-	13,719	-
Interest	1,087	61	1,358	1,186	1,206	918
Miscellaneous	40,782	-	-	22,608	10,000	10,000
Total revenues	41,869	32,584	44,711	23,794	24,925	10,918
EXPENDITURES						
Current						
Community services	-	-	-	-	-	-
Public safety	12,979	-	-	-	21,944	-
Administrative services	2,598	-	38,453	-	-	-
Leisure services	27,957	-	-	7,669	-	8,677
Capital outlay	-	-	-	-	-	-
Total expenditures	43,534	-	38,453	7,669	21,944	8,677
Excess (deficiency) of revenues over (under) expenditures	(1,665)	32,584	6,258	16,125	2,981	2,241
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	(32,000)	-	-	-	-
Total other financing sources (uses)	-	(32,000)	-	-	-	-
NET CHANGES IN FUND BALANCE	(1,665)	584	6,258	16,125	2,981	2,241
FUND BALANCE, beginning of year	64,400	927	85,324	65,368	83,723	55,256
FUND BALANCE, end of year	$ 62,735	$ 1,511	$ 91,582	$ 81,493	$ 86,704	$ 57,497

Special Revenue Funds						Capital Projects Fund	Total
Public Safety Training	Tourism Development	Red Light Cameras	NETCO/ Motorola Rebanding	SWAT Netcast	Various Grants	Street and Drainage	Nonmajor Governmental Funds
$ -	$ 954,751	$ -	$ -	$ -	$ -	$ -	$ 954,751
-	337,259	-	-	-	-	-	337,259
-	-	112,644	-	-	-	-	188,520
7,355	-	-	-	40,442	382,538	-	444,054
357	11,003	403	61	350	-	39,796	57,786
-	13,657	-	-	-	-	-	97,047
7,712	1,316,670	113,047	61	40,792	382,538	39,796	2,079,417
-	1,129,938	-	-	-	4,025	-	1,133,963
13,433	-	120,001	-	50,785	156,307	-	375,449
-	-	-	-	-	-	-	41,051
-	-	-	-	-	32,262	-	76,565
-	217,769	-	-	-	189,944	-	407,713
13,433	1,347,707	120,001	-	50,785	382,538	-	2,034,741
(5,721)	(31,037)	(6,954)	61	(9,993)	-	39,796	44,676
-	-	-	-	15,000	-	-	15,000
-	(100,829)	-	-	-	-	(41,478)	(174,307)
-	(100,829)	-	-	15,000	-	(41,478)	(159,307)
(5,721)	(131,866)	(6,954)	61	5,007	-	(1,682)	(114,631)
25,392	675,312	15,309	3,815	-	-	2,392,382	3,467,208
$ 19,671	$ 543,446	$ 8,355	$ 3,876	$ 5,007	$ -	$ 2,390,700	$ 3,352,577

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Nonmajor Governmental Funds

Special Revenue Funds

Annual budgets are adopted using the modified accrual basis of accounting for the following funds.

City of Bedford, Texas

Individual Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds
Year Ended September 30, 2018

	Court Security			
	Original Budget	Final Budget	Actual	Variance from Budget
REVENUES				
Taxes, penalty and interest	$ -	$ -	$ -	$ -
Charges for service	-	-	-	-
Fines and forfeitures	40,000	40,000	32,523	(7,477)
Support from governmental entities	-	-	-	-
Interest	-	-	61	61
Miscellaneous	-	-	-	-
Total revenues	40,000	40,000	32,584	(7,416)
EXPENDITURES				
Current				
Community services	-	-	-	-
Public safety	-	-	-	-
Administrative services	-	-	-	-
Leisure services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	40,000	40,000	32,584	(7,416)
OTHER FINANCING SOURCES (USES)				
Transfers out	(32,000)	(32,000)	(32,000)	-
Total other financing sources (uses)	(32,000)	(32,000)	(32,000)	-
NET CHANGES IN FUND BALANCE	8,000	8,000	584	(7,416)
FUND BALANCE, beginning of year	927	927	927	-
FUND BALANCE, end of year	$ 8,927	$ 8,927	$ 1,511	$ (7,416)

Court Technology				Park Donation			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
50,000	50,000	43,353	(6,647)	-	-	-	-
-	-	-	-	-	-	-	-
200	200	1,358	1,158	125	125	1,186	1,061
-	-	-	-	14,000	14,000	22,608	8,608
50,200	50,200	44,711	(5,489)	14,125	14,125	23,794	9,669
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
39,180	39,180	38,453	727	-	-	-	-
-	-	-	-	10,000	10,000	7,669	2,331
-	-	-	-	-	-	-	-
39,180	39,180	38,453	727	10,000	10,000	7,669	2,331
11,020	11,020	6,258	(4,762)	4,125	4,125	16,125	12,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
11,020	11,020	6,258	(4,762)	4,125	4,125	16,125	12,000
85,324	85,324	85,324	-	65,368	65,368	65,368	-
$ 96,344	$ 96,344	$ 91,582	$ (4,762)	$ 69,493	$ 69,493	$ 81,493	$ 12,000

City of Bedford, Texas

Individual Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds – Continued
Year Ended September 30, 2018

	Bedford Beautification			
	Original Budget	Final Budget	Actual	Variance from Budget
REVENUES				
Taxes, penalty and interest	$ -	$ -	$ -	$ -
Charges for service	-	-	-	-
Fines and forfeitures	-	-	-	-
Support from governmental entities	-	-	-	-
Interest	150	150	918	768
Miscellaneous	10,000	10,000	10,000	-
Total revenues	10,150	10,150	10,918	768
EXPENDITURES				
Current				
Community services	-	-	-	-
Public safety	-	-	-	-
Administrative services	-	-	-	-
Leisure services	10,000	10,000	8,677	1,323
Capital outlay	-	-	-	-
Total expenditures	10,000	10,000	8,677	1,323
Excess (deficiency) of revenues over (under) expenditures	150	150	2,241	2,091
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCE	150	150	2,241	2,091
FUND BALANCE, beginning of year	55,256	55,256	55,256	-
FUND BALANCE, end of year	$ 55,406	$ 55,406	$ 57,497	$ 2,091

Public Safety Training				Tourism Development			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
$ -	$ -	$ -	$ -	$ 1,079,000	$ 1,079,000	$ 954,751	$ (124,249)
-	-	-	-	393,600	393,600	337,259	(56,341)
-	-	-	-	-	-	-	-
5,900	5,900	7,355	1,455	-	-	-	-
50	50	357	307	4,000	4,000	11,003	7,003
-	-	-	-	-	-	13,657	13,657
5,950	5,950	7,712	1,762	1,476,600	1,476,600	1,316,670	(159,930)
-	-	-	-	1,358,584	1,358,584	1,129,938	228,646
3,150	3,150	13,433	(10,283)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	217,769	(217,769)
3,150	3,150	13,433	(10,283)	1,358,584	1,358,584	1,347,707	10,877
2,800	2,800	(5,721)	(8,521)	118,016	118,016	(31,037)	(149,053)
-	-	-	-	(100,829)	(100,829)	(100,829)	-
-	-	-	-	(100,829)	(100,829)	(100,829)	-
2,800	2,800	(5,721)	(8,521)	17,187	17,187	(131,866)	(149,053)
25,392	25,392	25,392	-	675,312	675,312	675,312	-
$ 28,192	$ 28,192	$ 19,671	$ (8,521)	$ 692,499	$ 692,499	$ 543,446	$ (149,053)

City of Bedford, Texas

Individual Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
Nonmajor Special Revenue Funds – Continued
Year Ended September 30, 2018

	Red Light Cameras			
	Original Budget	Final Budget	Actual	Variance from Budget
REVENUES				
Taxes, penalty and interest	$ -	$ -	$ -	$ -
Charges for service	-	-	-	-
Fines and forfeitures	100,000	100,000	112,644	12,644
Support from governmental entities	-	-	-	-
Interest	-	-	403	403
Miscellaneous	-	-	-	-
Total revenues	100,000	100,000	113,047	13,047
EXPENDITURES				
Current				
Community services	-	-	-	-
Public safety	72,551	72,551	120,001	(47,450)
Administrative services	-	-	-	-
Leisure services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	72,551	72,551	120,001	(47,450)
Excess (deficiency) of revenues over (under) expenditures	27,449	27,449	(6,954)	(34,403)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCE	27,449	27,449	(6,954)	(34,403)
FUND BALANCE, beginning of year	15,309	15,309	15,309	-
FUND BALANCE, end of year	$ 42,758	$ 42,758	$ 8,355	$ (34,403)

Debt Service Fund

Debt Service Fund is used to account for the accumulation of resources for the repayment of long-term debt.

City of Bedford, Texas

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
Debt Service Fund
Year Ended September 30, 2018

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Taxes, penalty and interest	$ 5,988,841	$ 5,988,841	$ 6,049,321	$ 60,480
Interest	5,000	5,000	25,275	20,275
Total revenues	5,993,841	5,993,841	6,074,596	80,755
EXPENDITURES				
Principal retirement	6,709,569	6,709,569	6,755,000	(45,431)
Interest and fiscal agent fees	693,643	693,643	634,351	59,292
Total expenditures	7,403,212	7,403,212	7,389,351	13,861
Excess (deficiency) of revenues over expenditures	(1,409,371)	(1,409,371)	(1,314,755)	94,616
OTHER FINANCING SOURCES (USES)				
Transfers in	1,390,475	1,390,475	1,390,747	272
NET CHANGES IN FUND BALANCE	(18,896)	(18,896)	75,992	94,888
FUND BALANCE, beginning of year	973,557	973,557	973,557	-
FUND BALANCE, end of year	$ 954,661	$ 954,661	$ 1,049,549	$ 94,888

Statistical Section (Unaudited)

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Statistical Section

This part of the City of Bedford's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. The tables herein, are unaudited.

Contents

Page

Financial Trends 95

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 105

These schedules contain trend information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity.....113

These schedules contain trend information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 121

The schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.

Operating Information 127

The schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules are derived from Comprehensive Annual Financial Reports for the relevant year.

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Financial Trends

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City of Bedford, Texas **Table 1**

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015*	2016**	2017***	2018
Governmental Activities										
Net investment in capital assets	$ 15,746,263	$ 15,639,418	$ 18,342,224	$ 18,908,115	$ 14,323,066	$ 10,378,086	$ 12,689,825	$ 16,607,993	$ 16,730,480	$ 20,557,161
Restricted	8,175,954	7,306,010	3,638,843	5,213,292	8,426,186	6,081,351	6,583,532	9,411,339	9,064,137	7,368,500
Unrestricted	6,437,967	6,795,025	4,537,414	1,035,005	(20,696)	5,653,694	(3,086,535)	(3,727,742)	(3,770,175)	(1,847,912)
Total governmental activities net position	$ 30,360,184	$ 29,740,453	$ 26,518,481	$ 25,156,412	$ 22,728,556	$ 22,113,131	$ 16,186,822	$ 22,291,590	$ 22,024,442	$ 26,077,749
Business-type Activities										
Net investment in capital assets	$ 27,674,312	$ 26,993,812	$ 26,915,595	$ 25,139,719	$ 20,170,192	$ 32,812,435	$ 33,942,144	$ 34,388,626	$ 35,250,028	$ 36,338,584
Restricted	576,397	576,397	-	-	-	158,872	-	-	6,691	6,691
Unrestricted	985,709	1,547,031	3,806,277	7,136,012	11,845,248	5,256,555	4,062,030	4,454,409	5,099,493	6,262,758
Total business-type activities, net position	$ 29,236,418	$ 29,117,240	$ 30,721,872	$ 32,275,731	$ 32,015,440	$ 38,227,862	$ 38,004,174	$ 38,843,035	$ 40,356,212	$ 42,608,033
Primary Government										
Net investment in capital assets	$ 43,420,575	$ 42,633,230	$ 45,257,819	$ 44,047,834	$ 34,493,258	$ 43,190,521	$ 46,631,969	$ 50,996,619	$ 51,980,508	$ 56,895,745
Restricted	8,752,351	7,882,407	3,638,843	5,213,292	8,426,186	6,240,223	6,583,532	9,411,339	9,070,828	7,375,191
Unrestricted	7,423,676	8,342,056	8,343,691	8,171,017	11,824,552	10,910,249	975,495	726,667	1,329,318	4,414,846
Total primary government net position	$ 59,596,602	$ 58,857,693	$ 57,240,353	$ 57,432,143	$ 54,743,996	$ 60,340,993	$ 54,190,996	$ 61,134,625	$ 62,380,654	$ 68,685,782

*Amounts for 2015 were restated from the effects of GASB Statement No. 68
**Amounts for 2016 were restated to reflect the effects of prior period adjustment as described in Note 14
***Amounts for 2017 were restated to reflect the effects of GASB Statement No. 75

City of Bedford, Texas
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year		
	2009	2010	2011
Expenses			
Governmental activities			
General government and administration	$ 4,184,723	$ 4,117,515	$ 3,906,050
Community services	2,270,248	1,883,752	1,848,795
Public services	8,185,269	9,038,955	8,876,104
Public safety	19,499,698	18,500,766	18,358,228
Leisure services	4,191,990	4,100,548	4,754,190
Interest expense	2,254,217	2,140,046	2,213,384
Total governmental activities expense	40,586,145	39,781,582	39,956,751
Business-type activities			
Water and sewer services	13,999,365	15,094,351	16,294,807
Stormwater collection and disposal	716,601	731,109	950,760
Total business-type activities expenses	14,715,966	15,825,460	17,245,567
Total primary government program expenses	$ 55,302,111	$ 55,607,042	$ 57,202,318
Program revenues			
Governmental activities			
Charges for services			
General government and administration	$ 98,178	$ 90,428	$ 88,135
Community services	266,293	405,255	1,061,313
Public services	180,998	210,354	1,362,564
Public safety	3,314,907	3,472,196	2,541,942
Leisure services	1,105,972	1,001,728	1,129,453
Operating grants and contributions	735,473	3,092,958	711,749
Capital grants and contributions	-	-	1,695,184
Total governmental activities program revenues	5,701,821	8,272,919	8,590,340
Business-type activities			
Charges for services			
Water and sewer services	14,539,710	16,104,703	19,811,255
Stormwater collection and disposal	1,291,800	1,291,249	1,290,285
Capital grants and contributions	71,486	267,469	26,446
Total business-type activities program revenues	15,902,996	17,663,421	21,127,986
Total primary government program revenues	$ 21,604,817	$ 25,936,340	$ 29,718,326

Table 2

Fiscal Year							
2012	2013	2014	2015	2016	2017	2018
$ 4,796,677	$ 4,688,432	$ 5,688,961	$ 5,393,564	$ 5,429,870	$ 5,172,343	$ 5,358,893
1,986,123	2,017,011	1,549,075	1,744,633	1,876,441	1,811,320	2,316,201
8,354,007	3,486,148	3,431,383	3,655,287	5,983,295	5,421,724	5,696,229
17,292,190	22,828,761	23,669,141	22,264,933	20,780,556	22,016,970	22,212,547
3,690,814	3,765,867	3,823,403	4,068,948	4,364,247	5,418,465	5,315,999
2,169,120	1,724,511	1,288,725	1,301,208	932,371	750,473	1,264,535
38,288,931	38,510,730	39,450,688	38,428,573	39,366,781	40,591,295	42,164,404
15,112,250	15,645,261	16,560,909	16,746,182	17,510,256	18,565,424	19,193,627
1,336,366	1,256,126	926,258	956,824	874,192	873,153	972,189
16,448,616	16,901,387	17,487,167	17,703,006	18,384,448	19,438,577	20,165,816
$ 54,737,547	$ 55,412,117	$ 56,937,855	$ 56,131,579	$ 57,751,229	$ 60,029,872	$ 62,330,220
$ 84,733	$ 76,647	$ 86,874	$ 159,473	$ 91,702	$ 92,875	$ 92,114
652,376	358,167	586,449	274,561	310,534	330,216	1,277,634
1,687,163	218,646	261,846	1,111,453	1,102,811	934,551	644
2,386,756	3,374,638	4,083,939	4,227,029	3,837,145	4,030,313	4,281,278
1,174,702	1,158,956	1,210,305	1,126,884	1,158,145	1,091,945	1,068,533
599,111	610,603	599,930	61,067	41,653	24,828	45,842
44,102	-	93,556	79,783	135,258	511,184	731,673
6,628,943	5,797,657	6,922,899	7,040,250	6,677,248	7,015,912	7,497,718
18,915,135	17,908,621	18,607,795	19,102,535	20,267,092	20,995,798	22,528,181
1,291,856	1,290,624	1,312,932	1,302,656	1,303,734	1,660,438	1,695,337
147,360	-	6,263,044	325,496	162,647	625,677	209,972
20,354,351	19,199,245	26,183,771	20,730,687	21,733,473	23,281,913	24,433,490
$ 26,983,294	$ 24,996,902	$ 33,106,670	$ 27,770,937	$ 28,410,721	$ 30,297,825	$ 31,931,208

City of Bedford, Texas
Changes in Net Position – Continued
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year		
	2009	2010	2011
Net (expense) revenues			
Governmental activities	$ (34,884,324)	$ (31,508,663)	$ (31,366,411)
Business-type activities	1,187,030	1,837,961	3,882,419
Total primary government net expense	(33,697,294)	(29,670,702)	(27,483,992)
General revenues and other			
Changes in net position			
Governmental activities			
Taxes			
Property	13,486,685	13,714,212	13,968,871
Sales	9,360,239	9,531,017	9,060,295
Franchise and occupancy	3,407,455	3,278,385	3,405,709
Other	753,160	869,071	919,452
Unrestricted grants and contributions	35,973	34,631	34,355
Investment earnings	344,023	151,108	131,541
Miscellaneous	423,658	229,001	451,896
Transfers	2,051,924	2,086,467	2,336,631
Total governmental activities	29,863,117	29,893,892	30,308,750
Business-type activities			
Investment earnings	46,935	17,046	55,527
Miscellaneous	-	112,282	3,317
Transfers	(2,051,924)	(2,086,467)	(2,336,631)
Total business-type activities	(2,004,989)	(1,957,139)	(2,277,787)
Total primary government	27,858,128	27,936,753	28,030,963
Change in net position			
Government activities	(5,021,207)	(1,614,771)	(1,057,661)
Business-type activities	(817,959)	(119,178)	1,604,632
Total primary government	$ (5,839,166)	$ (1,733,949)	$ 546,971

Table 2

Fiscal Year						
2012	2013	2014	2015	2016	2017	2018
$ (31,659,988)	$ (32,713,073)	$ (32,527,789)	$ (31,388,323)	$ (32,689,533)	$ (33,575,383)	$ (34,666,686)
3,905,735	2,297,858	8,696,604	3,027,681	3,349,025	3,843,336	4,267,674
(27,754,253)	(30,415,215)	(23,831,185)	(28,360,642)	(29,340,508)	(29,732,047)	(30,399,012)
13,735,255	14,488,399	14,297,275	14,543,198	15,507,727	16,273,095	19,143,856
9,363,047	9,629,427	9,985,658	11,048,748	10,787,539	10,905,398	10,936,716
3,325,941	3,338,307	3,584,311	3,555,243	3,432,957	3,331,500	3,432,589
875,838	901,956	1,028,447	1,236,319	1,358,741	1,070,774	954,751
-	-	-	-	-	231,388	237,958
26,459	33,521	43,393	45,552	86,353	227,800	987,778
594,715	535,474	466,677	425,314	4,526,458	140,792	198,540
2,376,664	2,414,451	2,506,603	2,479,790	2,644,416	2,697,694	2,827,805
30,297,919	31,341,535	31,912,364	33,334,164	38,344,191	34,878,441	38,719,993
21,051	47,321	22,421	14,955	174,144	356,632	811,952
3,734	11,406	-	-	(39,892)	-	-
(2,376,664)	(2,414,451)	(2,506,603)	(2,479,790)	(2,644,416)	(2,697,694)	(2,827,805)
(2,351,879)	(2,355,724)	(2,484,182)	(2,464,835)	(2,510,164)	(2,341,062)	(2,015,853)
27,946,040	28,985,811	29,428,182	30,869,329	35,834,027	32,537,379	36,704,140
(1,362,069)	(1,371,538)	(615,425)	1,945,841	5,654,658	1,303,058	4,053,307
1,553,856	(57,866)	6,212,422	562,846	838,861	1,502,274	2,251,821
$ 191,787	$ (1,429,404)	$ 5,596,997	$ 2,508,687	$ 6,493,519	$ 2,805,332	$ 6,305,128

City of Bedford, Texas **Table 3**

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved/nonspendable	$ 431,320	$ 336,227	$ 326,807	$ 360,284	$ 357,761	$ 724,210	$ 326,676	$ 236,097	$ 30,104	$ 24,572
Restricted	-	-	-	-	-	478,872	-	35,464	35,464	35,464
Assigned	-	-	-	-	-	-	-	140,000	-	-
Committed - special projects	-	-	-	-	-	-	-	4,486,890	-	-
Unassigned	7,258,376	5,666,237	4,087,163	4,764,530	5,751,658	6,172,841	7,199,906	7,437,211	11,873,958	13,587,512
Total general fund	$ 7,689,696	$ 6,002,464	$ 4,413,970	$ 5,124,814	$ 6,109,419	$ 7,375,923	$ 7,526,582	$ 12,335,662	$ 11,939,526	$ 13,647,548
All other governmental funds										
Reserved/nonspendable	$ 1,247,939	$ 1,240,869	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted for										
Debt service	-	-	1,219,755	1,108,669	1,060,593	977,409	936,907	944,473	973,557	1,049,549
Street and drainage improvements	-	-	1,815,920	1,824,024	1,832,971	1,839,601	1,848,957	2,274,285	2,392,382	2,390,700
Capital acquisition and constructio	-	-	3,254,958	1,830,699	3,274,169	7,015,936	3,207,349	1,184,007	828,271	61,113,475
Economic development	-	-	1,183,613	1,501,475	1,903,735	2,697,890	3,713,371	4,515,434	4,465,576	4,224,387
Public safety	-	-	625,514	308,698	248,091	284,840	277,111	279,938	210,675	212,830
Parks and beautification	-	-	83,481	505,923	715,438	982,540	1,234,435	109,323	120,624	138,990
Other	-	-	52,482	54,960	48,909	75,590	95,032	68,415	68,215	66,611
Assigned										
Unreserved, reported in										
Special revenue funds	3,564,887	2,781,166	-	-	-	-	-	-	-	-
Capital projects	3,363,128	3,057,292	-	-	-	-	-	-	-	-
Unassigned	-	-	(204,412)	-	-	-	-	-	-	-
Total all other governmental funds	$ 8,175,954	$ 7,079,327	$ 8,031,311	$ 7,134,448	$ 9,083,906	$ 13,873,806	$ 11,313,162	$ 9,375,875	$ 9,059,300	$ 69,196,542

City of Bedford, Texas **Table 4**

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes, penalties and interest	$ 26,881,888	$ 27,283,735	$ 27,322,766	$ 27,950,618	$ 28,278,856	$ 29,072,928	$ 30,729,516	$ 30,859,702	$31,805,280	$34,728,875
Licenses and permits	614,126	710,722	521,463	863,709	456,761	628,484	871,081	692,700	1,056,327	1,004,797
Charges for services	2,725,039	2,522,870	2,817,269	2,822,239	3,097,437	3,177,429	3,591,135	3,959,448	3,332,863	3,651,650
Fines and forfeitures	1,515,851	1,920,400	2,109,088	2,078,895	1,502,737	2,220,906	1,949,006	1,660,311	1,742,325	1,802,258
Support from governmental entities	923,368	3,034,152	2,329,053	654,732	661,413	689,840	647,946	365,533	694,134	686,310
Interest	344,023	151,108	131,541	26,459	33,521	43,393	45,552	86,353	227,800	987,779
Miscellaneous	396,980	300,394	577,387	557,599	622,819	425,913	486,410	4,792,905	223,805	228,312
Total revenues	33,401,275	35,923,381	35,808,567	34,954,251	34,653,544	36,258,893	38,320,646	42,416,952	39,082,534	43,089,981
EXPENDITURES										
General government	1,865,968	1,881,419	1,637,817	1,574,751	1,627,934	1,791,511	2,229,137	2,005,931	2,335,285	2,387,709
Community services	2,113,053	1,814,002	1,780,483	1,912,686	1,953,414	1,488,981	1,682,326	1,806,262	1,744,784	2,175,457
Public services	2,808,318	3,678,797	3,497,327	2,708,419	2,457,948	2,452,901	2,622,977	3,263,538	2,937,472	3,326,194
Administrative services	1,837,426	1,946,935	1,903,157	2,081,900	1,946,533	2,261,952	2,057,540	2,194,218	2,659,858	2,741,039
Public safety	17,179,678	17,144,215	16,986,248	16,126,751	16,797,850	18,051,735	18,346,405	19,383,973	20,243,699	20,602,308
Leisure services	3,605,545	3,666,662	3,782,933	3,661,546	3,751,588	3,804,071	4,046,351	4,290,997	4,306,461	4,221,724
Capital outlay	2,793,519	9,192,117	5,272,761	2,281,440	1,243,851	2,114,252	5,154,812	2,943,455	2,917,962	1,460,298
Debt service										
Interest and fiscal agent fees	2,168,905	2,047,707	2,265,090	1,921,115	1,689,615	1,462,845	1,358,233	1,119,668	912,214	847,728
Principal retirement	4,245,000	4,405,000	4,610,000	5,186,621	5,066,888	5,268,055	5,775,675	5,698,767	5,914,341	7,069,573
Bond issuance costs	-	-	-	-	72,818	96,476	-	-	-	-
Total expenditures	38,617,412	45,776,854	41,735,816	37,455,229	36,608,439	38,792,779	43,273,456	42,706,809	43,972,076	44,832,030

City of Bedford, Texas **Table 4 (Continued)**

Changes in Fund Balances of Governmental Funds - Continued
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,216,137)	(9,853,473)	(5,927,249)	(2,500,978)	(1,954,895)	(2,533,886)	(4,952,810)	(289,857)	(4,889,542)	(1,742,049)
OTHER FINANCING SOURCES (USES)										
Issuance of general obligation bonds	-	4,885,000	6,115,000	-	5,375,000	5,500,000		-	1,105,000	57,540,000
Premium on bonds issued	-	-	-	-	-	-	-	-	-	2,667,427
Lease purchase proceeds	-	-	-	339,011	228,370	221,936	-	-	323,221	462,030
Proceeds from sale of capital assets	5,265	43,152	44,797	219,723	77	40,764	35,550	11,489	8,329	4,733
Premium on debt	-	-	97,085	-	75,085	61,948	-	-	-	-
Payments to escrow account	-	-	(3,313,090)	-	(3,682,267)	-	-	-	-	-
Insurance proceeds	101,263	55,023	10,288	41,100	45,073	30,669	27,485	55,635	42,587	85,318
Transfers in	3,648,823	4,803,148	3,909,807	3,863,681	3,896,716	3,999,750	3,956,299	4,658,149	4,218,256	4,407,859
Transfers out	(1,596,899)	(2,616,681)	(1,573,176)	1,487,017	(1,482,265)	(1,493,147)	(1,476,509)	(2,013,733)	(1,520,562)	(1,580,054)
Total other financing sources (uses)	2,158,452	7,169,642	5,290,711	5,950,532	4,455,789	8,361,920	2,542,825	2,711,540	4,176,831	63,587,313
NET CHANGED IN FUND BALANCES	$ (3,057,685)	$ (2,683,831)	$ (636,538)	$ 3,449,554	$ 2,500,894	$ 5,828,034	$ (2,409,985)	$ 2,421,683	$ (712,711)	$61,845,264
Debt Service as a Percentage of Noncapital Expenditures	17.9%	17.6%	18.9%	20.2%	19.3%	18.6%	18.7%	17.1%	17.3%	18.3%

Revenue Capacity

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City of Bedford, Texas **Table 5**

Tax Revenues by Source – Governmental Funds
Last Ten Fiscal Years

Fiscal Years Ended	Ad Valorem	Hotel/Motel	Franchise	Sales and Other	Total
2009	$ 13,486,685	$ 434,495	$ 3,407,455	$ 9,360,239	$ 26,661,297
2010	13,714,212	557,129	3,278,385	9,531,017	27,060,530
2011	13,968,871	663,291	3,405,709	9,060,295	27,098,166
2012	13,735,255	723,745	3,325,941	9,363,047	27,147,988
2013	14,488,399	749,612	3,338,307	9,629,427	28,129,068
2014	14,297,275	840,119	3,584,311	9,985,658	28,884,962
2015	14,543,198	1,027,473	3,555,243	11,048,748	30,174,662
2016	15,507,727	1,123,421	3,432,957	11,022,859	31,086,964
2017	16,266,220	1,070,774	3,331,500	11,136,786	31,805,280
2018	19,452,182	954,751	3,432,589	10,936,716	34,776,238

City of Bedford, Texas **Table 6**

Water Revenue
Last Ten Fiscal Years

Fiscal Year	Number of Customers	Gallons Billed (000's)	Water Revenue	Revenue Per Customer	Revenue Per 1,000 Gallons
2009	23,100	2,667,852	$ 9,245,489	$ 400	$ 3.47
2010	23,085	2,486,470	10,038,233	435	4.04
2011	23,090	2,945,337	12,673,013	549	4.30
2012	23,035	2,674,949	12,185,112	529	4.56
2013	23,018	2,511,415	11,834,377	514	4.71
2014	23,041	2,337,171	11,855,648	515	5.07
2015	23,116	2,235,456	12,309,854	533	5.51
2016	23,172	2,355,706	12,806,549	553	5.44
2017	23,216	2,282,073	13,165,148	567	5.77
2018	23,225	2,445,290	14,121,583	608	5.78

City of Bedford, Texas **Table 7**

Principal Water Customers

Fiscal Year Ended September 30, 2018

Customer Name	Gallons Consumed (000's)	Percent Total	Amount Billed	Total Percent
Walden Residential Property Apartments	44,493	1.82%	$ 212,789	1.51%
Texas Health Resources-HEB Hospital	39,829	1.63%	221,761	1.57%
City of Bedford	27,878	1.14%	175,733	1.24%
Colonial Village @ Willow Creek	26,840	1.10%	137,782	0.98%
Colonial Village @ Shoal Creek	25,589	1.05%	132,124	0.94%
The Reserve at Central Park	17,930	0.73%	86,501	0.61%
Pecan Creek Apartments	17,723	0.72%	82,231	0.58%
Amherst Apartments - 2007 Amherst LP	17,711	0.72%	77,709	0.55%
Windmill Terrace	16,181	0.66%	79,174	0.56%
North Glen Partners	15,501	0.63%	79,968	0.57%
Top Ten Total	249,675	10.21%	$ 1,285,772	9.11%
City Total	2,445,290	100.00%	$ 14,121,583	100.00%

City of Bedford, Texas **Table 8**

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Total Appraised Value	Less: Tax-exempt Property	Net Taxable Value	Total Direct Tax Rate	Estimated Net Taxable Value
2009	$3,087,588,896	$ 191,415,397	$ 2,379,004,293	$ 365,023,177	$ 2,913,981,116	0.4468820	$ 2,913,981,116
2010	3,091,012,419	190,186,408	3,281,198,827	346,224,096	2,934,974,731	0.4633480	2,934,974,731
2011	2,986,569,350	179,267,541	3,165,836,891	363,395,164	2,802,441,727	0.4916090	2,802,441,727
*2012	3,095,960,546	168,619,714	3,264,580,260	387,551,829	2,877,028,431	0.5043290	2,877,028,431
2013	3,235,990,575	159,315,402	3,395,305,977	429,317,650	2,965,988,327	0.4991150	2,970,991,006
2014	3,202,304,589	161,052,296	3,363,356,885	402,262,501	2,961,094,384	0.4948303	2,961,094,384
2015	3,372,021,008	165,181,254	3,537,202,262	449,152,253	3,088,050,009	0.4948303	3,121,183,647
2016	3,359,873,966	168,488,758	3,528,362,724	451,210,531	3,077,152,193	0.4948303	3,192,632,438
2017	3,683,978,396	169,722,606	3,853,701,002	463,425,828	3,390,275,174	0.4765090	3,566,086,055
2018	4,159,701,044	192,718,639	4,352,419,683	546,896,067	3,805,523,616	0.5200000	3,939,845,851

Source: Tarrant Appraisal District (Reports)

***Note:** Net Taxable Value and Estimated Net Taxable Value Columns are based on the July Certified Appraisal roles with the exception of 2012. 2012 Total Taxable Assessed Value and Estimated Actual Taxable Value columns are based on the September Certified Appraisal roles due to the timing of re-evaluation of properties. If the July role would have been used, the taxable value would have been materially understated.

City of Bedford, Texas **Table 9**

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2018 Taxable Assessed Value		2018 Percentage of Total City Taxable Assessed Value	2009 Taxable Assessed Value		2009 Percentage of Total City Taxable Assessed Value
CMF 15 Portfolio LLC	$ 112,000,000	1	2.84%	$ 61,189,500	1	2.10%
SOF Woods of Bedford Owners LP	81,590,000	2	2.07%	-		
Bedford Oak Creek LLC	46,573,004	3	1.18%	-		
Point Loma Woods Dallas LLC	28,100,000	4	0.71%	-		
Stanton Road Capital LLC	27,245,623	5	0.69%	-		
Allmark Central Park LP	25,900,000	6	0.66%	-		
Parc Plaza Homes LP	23,671,544	7	0.60%	-		
Wal-Mart Real Estate Bus Trust	23,180,063	8	0.59%	27,911,188	2	0.96%
Oncor Electric Delivery CO LLC	21,885,320	9	0.56%	20,492,540	4	0.70%
BW Pecan Creek LLC	21,750,000	10	0.55%	-		
121 Airport Centre II LP	-			27,743,420	3	0.95%
Shops Dunhill Ratel, LLC	-			17,150,000	5	0.59%
WDOP SUB II LP	-			13,425,150	6	0.46%
Leeward Strategic Properties	-			13,397,439	7	0.46%
ML CASA III LP	-			12,850,000	8	0.44%
TSCA - 227 LP	-			10,948,710	9	0.38%
State National Insurance Co. Inc.				10,700,000	10	0.37%
Total	$ 411,895,554		10.45%	$ 215,807,947		7.41%
Total Taxable Assessed Value	$ 3,939,845,851			$ 2,913,981,116		

City of Bedford, Texas **Table 10**

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	$ 13,584,386	$ 13,334,703	98.16%	$ 48,001	$ 13,382,704	98.52%
2010	13,688,110	13,566,375	99.11%	55,547	13,621,922	99.52%
2011	13,897,299	13,799,107	99.29%	93,693	13,892,800	99.97%
2012	14,374,422	14,201,336	98.80%	63,934	14,265,271	99.24%
2013	14,437,257	14,263,591	98.80%	51,369	14,314,960	99.15%
2014	14,524,393	14,414,247	99.24%	15,728	14,429,974	99.35%
2015	15,079,653	14,817,417	98.26%	33,488	14,850,904	98.48%
2016	15,294,958	15,244,866	99.67%	18,242	15,263,108	99.79%
2017	16,266,337	16,194,415	99.56%	18,080	16,212,495	99.67%
2018	19,162,258	19,052,625	99.43%	46,281	19,098,906	99.67%

Source: Tarrant County Tax Office (YTD Summary - Part C)

Debt Capacity

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City of Bedford, Texas **Table 11**

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities					Business-Type Activities					
Fiscal Year	General Obligation Bonds	Contractual Obligations	Certificates of Obligation	Tax Notes	Capital Leases	Water Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Total Primary Government	Percentage of Personal Income	Per Capita
2009	$46,740,000	$ 180,000	$ -	$ 550,000	$ -	$2,580,000	$ 390,000	$ 4,625,000	$55,065,000	3.44%	1,128
2010	47,575,000	-	-	375,000	-	3,395,000	-	6,490,000	57,835,000	3.68%	1,231
2011	43,580,000	-	2,440,000	190,000	-	4,150,000	-	10,810,000	61,170,000	3.77%	1,302
2012	38,738,000	-	2,285,000	-	339,000	-	4,510,000	9,832,000	55,704,000	3.39%	1,185
2013	35,680,000	-	2,120,000	-	478,872	-	3,945,000	14,330,000	56,553,872	3.50%	1,164
*2014	34,926,852	2,309,788	1,977,498	-	395,817	-	3,703,018	13,756,004	57,068,977	3.32%	1,171
2015	29,462,886	2,098,809	1,805,970	-	310,142	-	3,395,766	13,097,194	50,170,767	2.83%	1,023
2016	24,083,919	1,882,830	1,634,443	-	221,375	-	3,078,513	41,798,385	72,699,465	4.10%	1,482
2017	18,809,953	1,661,852	1,452,915	885,000	370,255	-	2,751,261	40,459,576	66,390,812	3.65%	1,351
2018	72,728,413	1,440,873	1,266,387	670,000	517,710		9,267,684	55,900,937	141,792,004	7.77%	2,880

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Personal income and population information can be found in Table 16
*Beginning Fiscal Year 2014, balances are net of bond premium/discounts.

City of Bedford, Texas **Table 12**

Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding: Gross Bonded Debt	Less Debt Service	Less Debt Payable from Enterprise	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2009	$ 55,065,000	$ 1,247,939	$ 5,015,000	$ 48,802,061	1.67%	987
2010	57,835,000	1,240,869	6,490,000	50,104,131	1.71%	1,008
2011	61,170,000	1,219,755	13,340,000	46,610,245	1.66%	933
2012	55,704,000	1,108,669	12,725,000	41,870,331	1.46%	891
2013	56,553,872	1,070,702	12,075,000	43,408,170	1.46%	924
2014	57,068,977	977,409	17,459,022	38,632,546	1.30%	795
2015	50,170,767	936,908	16,492,960	32,740,899	1.05%	672
2016	72,699,466	944,475	44,876,898	26,878,093	0.84%	548
2017	66,390,811	973,557	43,210,837	22,206,417	0.62%	452
2018	140,604,295	1,049,549	55,900,937	83,653,809	2.35%	1,699

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Property value data can be found in Table 8
Population data can be found in Table 16

City of Bedford, Texas **Table 13**

Direct and Overlapping
Governmental Activities Debt
September 30, 2018

Taxing Jurisdiction	Taxable Assessed Value (000's) 2016/2017	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Direct and Overlapping Debt
Hurst-Euless-Bedford Independent School District	12,240,532	$ 340,976,742	30.04%	$ 102,429,413
Tarrant County	162,541,252	294,500,000	2.30%	6,773,500
Tarrant County College District	163,247,294	-	2.30%	-
Tarrant County Hospital District	162,644,388	36,430,000	2.30%	837,890
Subtotal overlapping debt		671,906,742		110,040,803
City of Bedford	3,805,524	76,623,383	100.00%	76,623,383
Total direct and overlapping debt		$ 748,530,125		$ 186,664,186

Source: Debt outstanding data provided by each governmental unit or obtained from Municipal Advisory Council of Texas.

*The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

City of Bedford, Texas **Table 14**

Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Total taxable assessed value (AV)	Debt limit 2.5% of Assessed Value (AV)	Total Net Debt Applicable to the Limit	Legal Debt Margin	Total net debt applicable to the limit as a % of Taxable AV	% of Debt Limit Available
2009	$ 2,913,981,116	$ 72,849,528	$ 52,485,000	$ 20,364,528	1.8%	28.0%
2010	2,934,974,731	73,374,368	54,440,000	18,934,368	1.9%	25.8%
2011	2,802,441,727	70,061,043	57,020,000	13,041,043	2.0%	18.6%
2012	2,877,028,431	71,925,711	55,365,000	16,560,711	1.9%	23.0%
2013	2,965,988,327	74,149,708	56,075,000	18,074,708	1.9%	24.4%
2014	2,961,094,384	74,027,360	56,673,160	17,354,200	1.9%	23.4%
2015	3,121,183,647	78,029,591	49,860,625	28,168,966	1.6%	36.1%
2016	3,077,152,193	76,928,805	72,478,091	4,450,714	2.4%	5.8%
2017	3,390,275,174	84,756,879	66,020,556	18,736,323	1.9%	22.1%
2018	3,805,523,616	95,138,090	72,728,413	22,409,677	1.9%	23.6%

***Note:** The City of Bedford does not have a legal debt limit prescribed by state law. However, Article XI, Section 5 of the State Constitution provide that a maximum tax rate of $2.50 per $100 assessed valuation may be imposed for any one year. Additionally, no debt shall be created by any city, unless at the same time provision be made to assess and collect annually a sufficient sum to pay the interest thereon and creating an interest and sinking fund of at least 2 percent thereon…

Although Section 6.01 of the Bedford City Charter states a maximum tax rate of $1.50 per $100 assessed valuation, this particular table will address the City of Bedford's legal debt limit by using Article XI, Section 5 of the State Constitution because the City does not officially have a legal debt limit for general obligation bonds as well as certificate of obligations

City of Bedford, Texas **Table 15**

Pledged Revenue Coverage
Last Ten Fiscal Years

	Water Revenue Bonds							
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Revenue Bond Coverage	Average Annual Debt Service	Average Requirements
2009	$ 14,539,710	$ 12,539,272	$ 2,000,438	$ 180,000	$ 176,895	5.61	$ 286,163	7.06
2010	16,104,703	13,531,696	2,573,007	185,000	167,908	7.29	283,163	9.09
2011	19,811,255	14,552,568	5,258,687	195,000	158,533	2.95	316,165	16.63
* 2012	18,915,135	13,473,986	5,441,149	-	-	-	-	-
2013	17,908,621	13,900,489	4,008,132	-	-	-	-	-
2014	18,607,795	14,575,557	4,032,238	-	-	-	-	-
2015	19,102,535	14,623,282	4,479,253	-	-	-	-	-
2016	20,267,092	14,853,564	5,413,528	-	-	-	-	-
2017	20,995,798	15,753,352	5,242,446	-	-	-	-	-
2018	22,528,121	15,832,882	6,695,239	-	-	-	-	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Operating expenses do not include interest, depreciation, or amortization expenses.

* 2012 - Annual Debt Service Variance is due to the city refunded its 1998 and 2002 revenue bonds, so no longer own revenue bonds which impact the calculation.

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Demographic and Economic Information

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City of Bedford, Texas **Table 16**

Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	(000's) Personal Income	Per Capita Personal Income	Average Household Income	Median Age	School Enrollment	Unemployment Rate
2009	49,700	1,628,073	$ 32,758	$ 76,000	38	20,653	6.0%
2010	49,979	1,673,647	33,487	81,109	39	50,537	6.8%
2011	46,979	1,620,682	34,498	75,462	34	20,898	6.8%
2012	47,001	1,641,557	34,926	61,584	40	20,762	5.2%
2013	48,566	1,615,499	33,264	78,521	40	21,814	5.3%
2014	48,721	1,719,705	35,297	78,372	41	22,138	4.7%
2015	49,054	1,773,155	36,147	80,275	41	22,180	4.6%
2016	49,151	1,819,154	37,001	82,240	41	22,762	3.6%
2017	49,234	1,824,415	37,056	82,321	41	23,090	3.2%
2018	49,282	1,869,217	37,929	83,807	42	23,578	3.3%

Sources: Population: North Central Texas Council of Governments (NCTOG)
Per Capita Personal Income and Average Household Income: Alteryx
Median Age and Unemployment Rate: Alteryx
School Enrollment: HEB ISD/About/Quick Facts
Unemployment Rate: Texas Labor Market and Career Information (TWC)

City of Bedford, Texas **Table 17**

Principal Employers
Current Year and Nine Years Ago

	2018		2009	
Employer	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Texas Health Resources HEB	1,550	5.18%	1,600	5.49%
Carter Blood Care	914	3.06%	1,000	3.43%
HEB ISD (Admin Offices/Bedford Campuses)	551	1.84%	2,600	8.92%
Warrantech	478	1.60%	400	1.37%
State National Companies	449	1.50%	450	1.54%
Wal-Mart Supercenter	400	1.34%	420	1.44%
City of Bedford	361	1.21%	250	0.86%
Daystar Television Network	292	0.98%	-	0.00%
Kroger Foods, Inc.	157	0.52%	-	0.00%
Grubb's Nissan	135	0.45%	-	0.00%
Stericycle (fka Beryl Companies)	-	0.00%	450	1.54%
	29,905	17.68%	29,157	24.59%

Sources:

Information comes from City of Bedford, Economic Development Department - Demographics data
Total City Employment information can be found Texas Workfoce Commission Website via
(http://www.tracer2.com/cgi/dataanalysis/labForceReport.asp?menuchoice=LABFORCE)
- this link only gives the grand total

City of Bedford, Texas **Table 18**

Direct and Overlapping Tax Rates
Last Ten Fiscal Years

	City Direct Rates			Overlapping Rates			
Fiscal Year	Operating / General Rate	General Obligation Debt Service	Total Direct Rate	Hurst-Euless-Bedford ISD	Tarrant County	Tarrant County Hospital District	Tarrant County Community College
2009	0.285847	0.161035	0.446882	1.2950	0.2640	0.2279	0.1380
2010	0.299096	0.164252	0.463348	1.2955	0.2640	0.2280	0.1377
2011	0.309075	0.182534	0.491609	1.2882	0.2640	0.2279	0.1376
2012	0.311257	0.193072	0.504329	1.4140	0.2640	0.2279	0.1490
2013	0.306043	0.193072	0.499115	1.4075	0.2640	0.2279	0.1490
2014	0.303214	0.191616	0.494830	1.3875	0.2640	0.2279	0.1495
2015	0.289907	0.204923	0.494830	1.3750	0.2640	0.2279	0.1495
2016	0.299332	0.195498	0.494830	1.3500	0.2640	0.2279	0.1495
2017	0.303747	0.172762	0.476509	1.3160	0.2540	0.2279	0.1447
2018	0.340560	0.179440	0.520000	1.2630	0.2440	0.2244	0.1401

Sources: City of Bedford Budget Office, Tarrant Appraisal District

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Operating Information

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City of Bedford, Texas **Table 19**

Full-time Equivalent City Governmental Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Management and Communication	8.0	6.0	6.0	6.0	6.0	7.5	7.5	9.5	9.5	9.5
Finance	14.0	13.0	12.0	12.0	12.5	11.5	11.5	11.5	11.5	11.5
Municipal Court and Teen Court	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Development and Planning	15.0	18.0	12.8	12.8	6.0	6.0	6.0	6.0	6.0	13.0
Library	16.4	16.4	16.4	17.2	19.7	19.6	19.6	19.5	19.5	19.5
Support Services	7.0	7.0	11.0	11.0	10.0	11.0	11.0	22.0	23.0	18.0
Police										
Officers	82.0	83.0	86.3	84.3	80.0	80.0	80.0	81.0	80.0	80.0
Civilians	47.0	51.7	48.6	49.6	55.0	53.0	56.0	57.0	56.0	59.0
Animal Control	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Fire										
Firefighters and Officers	64.0	64.0	64.0	64.0	63.0	63.0	63.0	63.0	63.0	63.0
Civilians	2.0	2.0	2.0	2.0	8.0	8.0	9.0	10.0	10.0	3.0
Parks and Recreation										
Management and Communication	-	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Parks and Recreation	42.8	41.3	37.8	36.4	37.5	37.6	37.1	39.1	39.4	38.9
Senior Citizens Center	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Tourism and Special Events	-	-	3.5	3.5	4.4	4.5	5.5	6.0	6.0	6.5
Public works										
Engineering	5.0	6.1	6.0	6.0	5.5	5.5	8.0	8.0	8.0	8.0
Water	12.6	12.0	15.0	13.0	13.8	12.5	12.5	13.3	14.3	14.3
Wastewater	10.0	10.0	8.0	7.0	7.0	7.5	7.5	7.5	7.5	7.5
Stormwater	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Streets	11.0	11.0	10.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0
*Fleet Maintenance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-	-	5.0
Total	366.8	372.5	370.4	367.3	369.9	368.7	375.7	390.9	391.2	394.2

Source: City Finance - Position Control Report

*2016 - Fleet Maintenance moved from Public Works to Support Services (5.0 FTE)

*2017 - Inspections moved from Fire Department to Development and Planning (7.0 FTE)

City of Bedford, Texas **Table 20**

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program by Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Inspections										
Residential & Commercial Permits Issued	917	762	800	995	761	778	535	650	843	625
Estimated Value	15,326,556	27,144,564	10,216,130	44,479,341	19,951,220	29,646,601	37,315,837	29,813,302	52,625,480	36,744,807
Police										
Physical Arrests	2,368	2,607	3,490	3,285	2,715	2,534	1,982	1,992	2,275	2,267
Parking Violations	91	114	150	207	135	47	90	229	108	115
Traffic Violations	11,225	14,740	15,945	15,929	11,848	19,807	16,056	10,898	12,512	13,765
Fire										
Emergency Responses	7,291	7,312	7,550	8,218	8,114	8,155	8,042	8,431	8,070	8,857
Patients Transported	2,478	2,462	2,628	2,989	3,015	3,038	3,198	3,118	3,000	3,396
Fires Extinguished	132	88	145	90	103	106	199	115	90	142
Inspections	2,189	2,705	2,438	2,901	2,835	3,096	3,152	3,366	3,050	3,210
Culture and Recreation										
Parks and Recreation:										
Athletic League Spring Team	42	39	12	8	-	-	-	-	-	-
Athletic League Fall Team	13	13	10	-	-	-	-	-	-	-
Community Center Registration	4,154	3,666	3,633	3,945	4,040	4,112	4,795	4,483	3,994	3,220
Annual Recreation Revenue	268,871	267,648	281,047	306,587	289,285	332,189	508,903	511,242	489,555	420,446
Library										
Population Service	49,700	49,700	49,700	46,979	48,566	48,721	49,054	49,151	49,234	49,234
Number of Library Visits	271,764	256,674	265,674	279,991	252,506	244,388	221,177	219,543	214,899	178,866
Volumes in Collection	101,179	99,104	90,602	101,395	112,644	118,095	114,573	149,071	143,007	118,978
Total Volumes Borrowed	511,186	252,401	525,401	552,737	579,572	584,917	567,290	545,126	632,599	601,086
Turnover Rate	0	0	6	5	5	5	4	3	4	5
Total Operating Expenditures	1,037,121	1,141,421	1,141,421	1,119,609	1,249,419	1,309,275	1,320,502	1,457,919	1,487,263	1,538,473
Cost Per Population Served	21	23	23	24	26	27	27	30	30	31
Total Paid Staff (FTE)	16	16	16	16	20	20	19	19	19	19
Public Works										
Street Repair - Asphalt sq. yard	2,150	3,055	40,988	36,004	21,850	26,425	27,186	60,935	37,977	90,446
Street Repair - Concrete sq. yard	311	602	22,661	3,693	3,655	311	6,216	19,623	3,524	-
Sidewalk Installation/Repairs - sq. feet	32,913	4,947	1,684	10,503	5,630	5,950	6,500	9,255	1,383	9,135
Water and Sewer										
New Connections - Water	(23)	(31)	36	5	(14)	23	75	57	44	7
New Connections - Sewer	27	(14)	63	(7)	6	(4)	51	63	49	8
Water Main Breaks	21	24	39	67	46	46	62	31	16	25
Stated in Thousands of Gallons:										
Average Daily Consumption	8,194	7,600	8,988	7,329	6,881	6,403	6,125	6,810	6,252	6,147
Peak Daily Consumption	14,168	12,932	16,232	12,375	10,141	9,588	14,133	13,136	11,840	10,951

Source: Various City Departments

City of Bedford, Texas **Table 21**

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	9	15	15	15	17	17	17	17	22	22
Other Units: CID-SWAT-PSO	47	58	58	58	50	59	63	65	77	76
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Equipment Units	5	5	5	5	5	5	5	5	5	5
EMS Units	4	4	4	4	4	4	4	5	5	5
Other Units	11	11	11	11	11	11	11	11	11	11
Regional Grant Units - Homeland Security	11	11	11	11	-	-	-	2	2	2
Other Public Works										
Streets (Miles)	460	460	460	460	455	456	456	456	460	460
Streetlights	1,737	1,738	1,738	1,738	1,738	1,738	1,738	1,751	1,753	1,753
Traffic Signals	24	24	24	24	25	25	26	26	26	25
Parks and Recreation										
Park Acreage	150	150	150	150	150	150	155	155	155	140
Playgrounds	17	17	17	17	17	17	16	16	16	16
Swimming Pools	3	3	3	3	4	4	4	4	4	4
Soccer/Baseball/Softball Fields	6	6	6	6	11	11	11	11	11	11
Community Centers	3	3	3	3	3	3	3	3	3	1
Water										
Water Mains (Miles)	147	147	147	147	148	149	165	167	192	192
Fire Hydrants[a]	1,425	1,425	1,425	1,425	1,425	1,800	1,800	1,802	1,818	1,818
Storage Capacity										
(One Ground Well - 250,000 gallons)	6,225	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
(Elevated Storage - 5 million gallons)										
Stormwater										
Storm Sewers (Miles)	91	91	91	91	92	92	93	173	198	198

Source: Various City Departments